

COUNTY OF CALHOUN, MICHIGAN



Comprehensive Annual Financial Report

**For The Year Ended
December 31, 2009**

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COUNTY OF CALHOUN, MICHIGAN

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

Board of Commissioners:

Michael Rae, Chairperson
Terris E. Todd, Vice-Chairperson

Lisa Gerow
Jim Haadsma
Julie Camp
Rebecca Rocho
Kirk A. Lee

Prepared by:

Finance Department

County Administrator/Controller:

Kelli Scott

Assistant County Administrator:

Bradley Wilcox

COUNTY OF CALHOUN, MICHIGAN
For the Year Ended December 31, 2009

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For the Year Ended December 31, 2009

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INTRODUCTORY SECTION

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Calhoun County

Office of the Administrator/Controller

"Building A Better County Through Responsive Leadership"

315 West Green Street
Marshall, MI 49068

Office (269)-781-0966
Fax (269)-781-0140

June 23, 2010

**To the Honorable Chairman, Members of the Board of Commissioners
and the Citizens of the County of Calhoun, Michigan:**

The comprehensive annual financial report of the County of Calhoun, Michigan (the "County") for the year ended December 31, 2009, is hereby submitted in accordance with Michigan Act 2 of the Public Acts of 1968, as amended. This Act requires that the County issue an annual report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, our framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As Management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Rehmann Robson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The auditors' report related specifically to the single audit is not included in this document, but is issued under separate cover.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

PROFILE OF CALHOUN COUNTY GOVERNMENT

Calhoun County was incorporated on October 29, 1829. It covers an area of approximately 720 square miles. The County Seat is located in the City of Marshall, mid-way between Chicago and Detroit near the junction of two major interstate highways - I-94 (east-west) and I-69 (north-south). The City of Battle Creek is the largest metropolitan area in the County. The population of the County per the 2009 U.S. Census estimate is 135,616.

The County is governed by a seven-member elected Board of Commissioners. Members of the Board of Commissioners are elected on a partisan basis for two-year terms from within their respective districts that are approximately equal in population. The Board elects from its ranks a Chairperson and a Vice Chairperson by majority vote. The administration of the County, other than as delegated to elected officials, is guided by the County Administrator/Controller who is appointed by a two-thirds vote of the Board of Commissioners and serves at its pleasure. The Board is responsible for determining the type and level of County services, adoption of the County Budget, equalization of County property values, legislative oversight of County services and the appointment of various boards, commissions and County officials. In turn, the County Administrator/Controller is responsible for carrying out the Board's policies and resolutions, and managing the day-to-day operations of the County.

Judges of the 37th Judicial Circuit and the Probate Court and the 10th District Court are elected at large for six-year terms. Operation of the court system is under the auspices of the Michigan Supreme Court and the respective presiding Judges, while the County government primarily provides financial support.

Administration of the County is divided by the Michigan Constitution among various statutory County officials, including the County Treasurer, County Clerk/Register of Deeds, Prosecuting Attorney, Water Resources Commissioner and Sheriff, who are elected at-large for four-year terms. The County Treasurer is the custodian of all funds, administers the collection of delinquent property taxes, and performs other duties concerned with the interrelated fiscal affairs of County departments and agencies. The duties of the County Clerk include keeping and maintaining records of births, deaths, marriages and discharges of military personnel, and serving as Clerk of the Board of Commissioners. The duties of the Register of Deeds include the recording of deeds, mortgages, surveys, plats, notices of liens and bills of sales. The Prosecuting Attorney prosecutes violations of State criminal law within the County and may represent the County in appropriate Courts. The County Water Resources Commissioner administers the location, construction and maintenance of drains in the County. The Sheriff's duties involve the charge and custody of the County Jail, the serving of processes and primary law enforcement response in areas of the County without local police functions.

In addition, the Board of Commissioners appoints several County officials, including the Administrator/Controller, Corporation Counsel, Health Officer, Medical Examiner and the Equalization Director with responsibilities as defined by statute, County ordinance or resolution. The Administrator/Controller's responsibilities include direction of central administrative functions of the County government and acting as a liaison on behalf of the Board of Commissioners between County offices, appointed officials and the general public. The Office of Corporation Counsel is responsible for legal advice, counsel or court action in all cases involving an official act or duty of a county officer, elected official or county department. The Health Officer directs the operation of the County Health Department in accordance with Board of Commissioner's directions and as authorized by State law. The Equalization Director oversees the equalization process of the County as prescribed by law.

The Board of Commissioners also appoints various boards and commissions to oversee specific County services and to advise the Board on certain matters of interest. Appointments to boards overseeing specific County functions include the Board of County Road Commissioners, the Board of Public Works, the Board of Parks Trustees, the Board of Health, Senior Millage Allocation Committee, Summit Pointe Board of Directors, and Veterans Affairs Committee. The Board also appoints members to various advisory committees and to regional bodies overseeing other programs providing services to the residents of the County.

The business of the County is carried out on a daily basis by approximately 550 employees located on several different campuses throughout the County. The primary locations are Marshall, the County seat, Battle Creek and Albion.

This report includes all funds of the County and its component units. The County provides a full range of services to County residents. Services are provided in the areas of public safety (law enforcement, prosecution, jail administration), judicial (administration of the courts and probation departments), elections, public works, health services, social services, cultural (MSU cooperative extension services), road repair and maintenance services, parks and recreation, and general administrative services. In any one day, hundreds of people access County services:

- They may be utilizing one of the many public health, sanitation or disease control services provided by the Health Department, the support services of County Veteran Affairs or Senior Services, or the residential services of the Medical Care Facility. They may be utilizing one of the many other human service programs supported by County funds in the area of mental health, substance abuse, aging, special transportation, or youth violence prevention.
- They may be utilizing the services of the County Prosecutor, the Sheriff, or the Courts.
- They may be obtaining birth, death, tax or property information from the Offices of the County Clerk, Register of Deeds or the Treasurer; participating in elections; or getting assistance in drainage-related problems from the Water Resources Commissioner.
- They may be attending educational events sponsored by MSU Cooperative Extension or enjoying one of the County Parks.

The annual budget serves as the foundation for the County's financial planning and control. The County maintains real-time budgetary controls using an integrated financial management software package. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. The appropriated budget is prepared by function and activity for the General Fund and by fund and function for the special revenue funds. Budgetary transfers are permitted in accordance with Board-adopted budget policies. Transfers of appropriations less than or equal to \$20,000 between major account classifications within the General Fund and special revenue fund(s) may be approved by the County Administrator/Controller; transfers greater than \$20,000 require the approval of the Board of Commissioners. The level of budgetary control is the business unit level for the General Fund and the special revenue funds. As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management.

The County's strategic plan is intended to provide the foundation for budgetary decisions by establishing a vision, mission and long-range objectives. In addition to the strategic plan, the Board of Commissioners, at least annually, strives to establish a set of priorities for the development of the budget. The intent of these is to remain consistent with the overall objectives in the strategic plan but yet develop specific priorities that reflect current issues while keeping in mind the County's long-term objectives and financial limitations.

The following are examples of recent accomplishments of strategic objectives identified by the Board of Commissioners:

- **Technology Improvements:** The County has embarked on several technology improvements that should produce efficiencies over the next several years. These include electronic records management, County web site redesign, GIS implementation and new financial management software.
- **Consolidated E-911 Dispatch:** The Calhoun County Consolidated Dispatch Authority became operational in early 2010. Located in the County Administration Building, the Authority effectively combined three separate municipal dispatch operations into a single operational unit. Calhoun County provides many support service functions to the Authority including finance, human resource and legal services. These are provided for a fee negotiated between the County and the Authority.
- **Capital Plan Development:** The Board of Commissioner's adopted a formal capital improvement policy to guide the organization in the identification of future infrastructure needs. Incorporated within the policy are capital plan development components, coordination of operational aspects and funding identification.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy. Through a varied industrial, commercial and agricultural base, the County enjoys a relatively stable economic environment and indicators point to a continuation of this trend. The Fort Custer Industrial Park has become Michigan's largest industrial park. Located in the City of Battle Creek, the park, which is a customs free trade zone, encompasses 3,000 acres and contains 85 companies employing more than 9,000 people. The City of Battle Creek is host to the world headquarters of Kellogg Corporation and the cereal manufacturing industry. Also, Battle Creek is a U.S. Customs Port of Entry and contains a Foreign Trade Zone. A commercial shopping corridor in the Battle Creek/Emmett Township area serves a regional market. Automotive and plastic parts manufacturers, insurance companies, iron foundries, farms (approximately 1,200) and related agricultural businesses provide a variety of employment opportunities. A major U. S. Veterans Hospital in Battle Creek and community/regional hospitals in Battle Creek and Marshall provide health care services as well as additional employment opportunities. Higher education is available to County residents and others at several public and private colleges located in Albion and Battle Creek, including Kellogg Community

College (KCC), Albion College, Western Michigan University's Kendall Center and the newly established Miller College. Finally, in addition to established industrial parks in Albion, Battle Creek, Marshall, Tekonsha, and Springfield, the County possesses three significant recreational parks: Kimball Pines Park, Historic Bridge Park at Riverside Park, and the Ott Preserve.

The FireKeepers Casino opened in 2009 with the expected creation of at least 1,200 jobs and 3.8 million tourists annually. A Casino Baseline Study Advisory Committee was formed to determine the economic effect and has enlisted the help of a research firm to study the socioeconomic impact of the casino. A Local Revenue Sharing Board composed of six members will receive 2% of the net win from electronic gambling machines. This two percent revenue generated nearly \$2 million in its first five months of operating, and is expected to generate similar returns in the future that will be distributed to local units of government according to a State Compact between the Nottawaseppi Huron Tribe of Potawatomi and the State of Michigan.

There has been a broad based decline in the market prices of residential and non-residential real estate in Michigan since the beginning of 2006, resulting in a slowing of appreciation and more recently, declines in assessed and taxable valuations. This has resulted in reduced property taxes compared to prior years. To address this revenue reduction, various operational expenses have been reduced, labor agreements aggressively negotiated and in some cases, positions have been eliminated.

The unreserved, undesignated fund balance currently stands at 9.5% of the total previous year's general fund expenditures (including transfers out) thereby meeting the Board of Commissioners adopted policy range of 8% - 12%, as well as the Government Finance Officers Association recommended practices. On December 31, 2008 the unreserved, undesignated fund balance was 9.9%.

Debt Administration. At December 31, 2009, the County's outstanding direct bonded debt was \$14.1 million, a net decrease of \$540 thousand from the prior year-end. Our overall bond rating is "AA-".

Cash Management. The County has been consistently conservative in the cash management area. It is the policy of the County Treasurer to invest first for safety and second to maximize the investment earnings. Because only a small portion of the County's portfolio can be covered by FDIC insurance, it is essential to continually evaluate the quality of the instruments purchased and the financial stability of the banks and other financial institutions where investments are placed. Types of investments vary throughout the year depending on the County's cash flow requirements and the condition of the financial markets. Typical investments included demand deposits, government investment pool mutual funds, certificates of deposit, bankers' acceptances and high quality commercial paper.

Risk Management. As permitted by State law, the County is self-insured (up to certain limits) for employee health care, workers' compensation and disability coverage. Employee health care and workers' compensation are subject to excess insurance coverage policies. Third-party administrators are used for the health care, disability for employee bargaining units not in the County self-insured plan and worker's compensation plans. Also, as part of its comprehensive risk management plan, the government participates in a risk management pool with certain other Michigan municipalities for liability coverage. As part of the County's comprehensive risk management plan, resources are accumulated in internal service funds and reserves are on deposit with the Michigan Municipal Risk Management Authority (MMRMA) to meet potential losses. MMRMA, which is a governmental risk pool, provides \$15 million in liability coverage on an occurrence basis with a \$200,000 self-insured retention per liability claim.

AWARDS AND ACKNOWLEDGMENTS

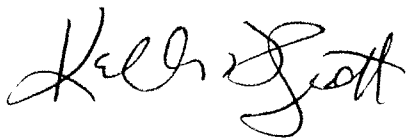
Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Calhoun County, Michigan for its comprehensive annual financial report for the fiscal year ended December 31, 2008. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local governmental financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Calhoun County has received a Certificate of Achievement for the last thirteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance and operating departments throughout the County. We would like to express our appreciation to members of those departments who assisted and contributed to the preparation of this report. Due credit also should be given to the Board of Commissioners for its interest and support in planning and conducting the operations of the government in a responsible and progressive manner.

Respectively Submitted,

A handwritten signature in black ink, appearing to read 'Kelli Scott', written in a cursive style.

Kelli Scott, County
Administrator/Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Calhoun
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

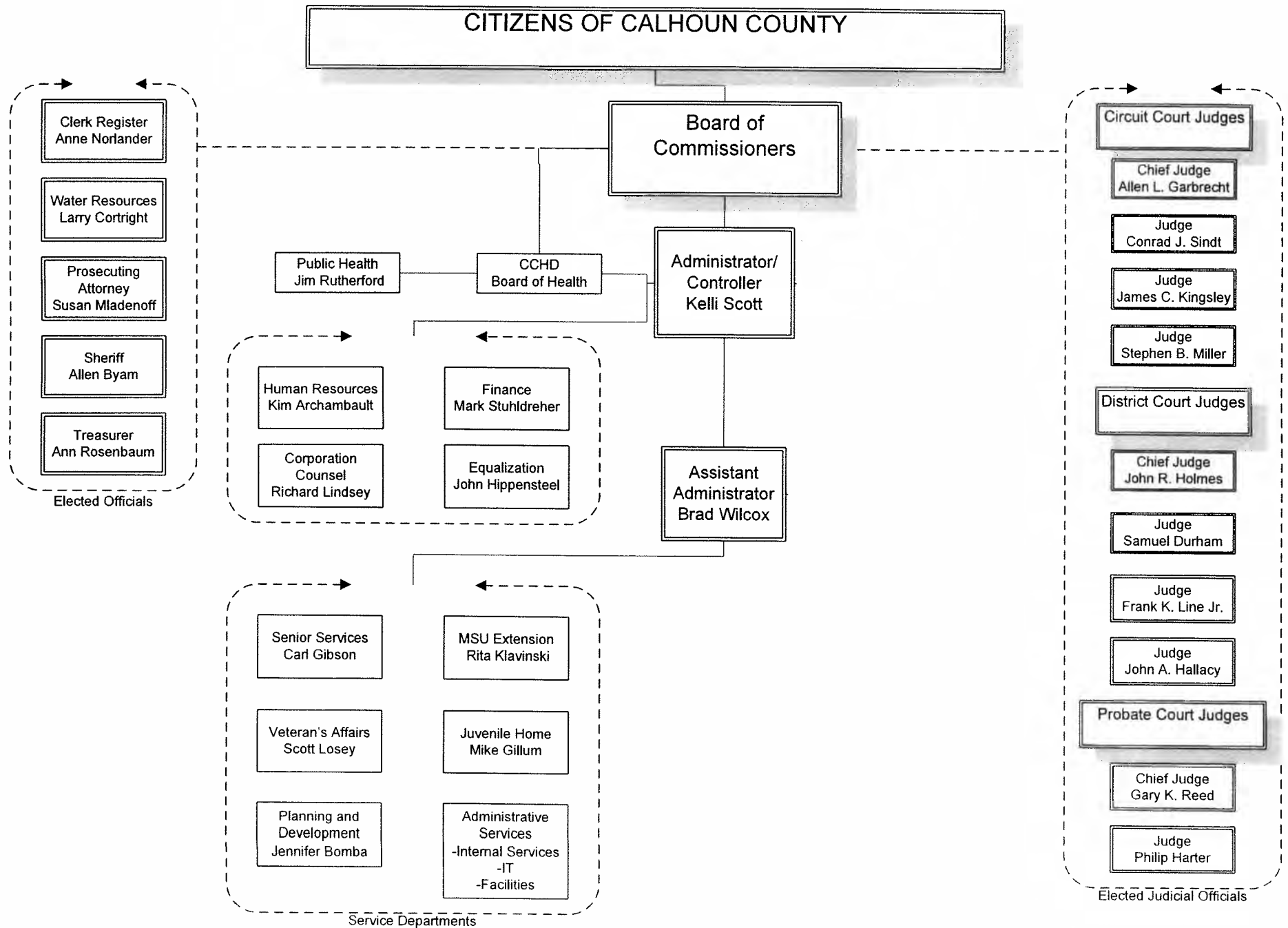
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CALHOUN COUNTY ADMINISTRATIVE ORGANIZATIONAL CHART



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

June 23, 2010

The Board of Commissioners
County of Calhoun, Michigan
Marshall, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **COUNTY OF CALHOUN, MICHIGAN**, as of and for the year ended December 31, 2009, which collectively comprise the basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Medical Care Facility and Delinquent Tax Revolving Enterprise Funds, which are major funds, and therefore, separate opinion units. In addition, we did not audit the financial statements of the Land Bank Authority Component Unit, which represent less than 1% of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinions, insofar as they relate to the amounts included for the Medical Care Facility and Delinquent Tax Revolving Enterprise Funds and the Land Bank Authority Component Unit are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Medical Care Facility Enterprise Fund were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Calhoun, Michigan, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3-13 and the historical pension supplementary information for the Employees Retirement System and other postemployment benefit plan information listed in the table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2010, on our consideration of the County of Calhoun, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in a separately issued single audit report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements taken as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County of Calhoun, Michigan. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.

MANAGEMENT'S DISCUSSION and ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Calhoun, Michigan (the "County") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i–vi of this report, and the accompanying basic financial statements.

Financial Highlights

- The assets of the County, as presented in the Government-Wide financial statements, exceeded its liabilities at the close of the most recent fiscal year by \$67.1 million (*net assets*), a decrease of \$3.56 million in 2009. Of this amount, \$13.5 million (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors. The Medical Care Facility and the Delinquent Tax Revolving Fund contain most of the business-type unrestricted net assets.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, permanent, and debt service funds) reported combined ending fund balances of \$9.64 million, a decrease of \$2.3 million in comparison with the prior year. Of the fund balance amount, \$9.50 million is *available for spending* at the government's discretion (*unreserved fund balance*).
- Total fund balance for the general fund was \$3,859,445, a decrease of \$64,600 for 2009. At the end of the year, unreserved fund balance for the general fund was \$3,779,909, or approximately 9.5 percent of total general fund expenditures for the prior year, thereby adhering to the policy range of 8 – 12 percent as adopted by the Board of Commissioners.
- The County's investment in capital assets net of related debt decreased by \$236,464 during 2009.
- The County's total bonded debt, excluding delinquent tax notes, decreased by \$540,000 during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements which contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacations leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include, legislative, judicial general government, public safety, public works, health and welfare, and recreation and cultural. The major business-type activities of the County include the Medical Care Facility that provides long-term skilled nursing care and the Delinquent Tax Revolving Fund.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Road Commission, a legally separate Board of Public Works, a legally separate Land Bank Authority, and a legally separate Water Resources Commission, for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 14-16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Governmental fund financial statements focus on a *short-term view of spendable resources and the balance of those spendable resources* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *government funds* with similar information presented for *government activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 32 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Health Department Fund, Senior Millage Fund, and the Child Care Fund, which are considered to be major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for all applicable funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17-27 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses four enterprise funds to account for its business-type activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its equipment purchases, building and grounds, administrative services, insurance, employee benefits, workers' compensation, and sick and accident expenses. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Medical Care Facility and the Delinquent Tax Revolving Fund, which are considered to be major funds of the County. Data from the other two enterprise funds are combined into a single aggregated presentation. Detailed financial information for each of the nonmajor enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28-31 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The County's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. The accounting used for fiduciary funds is much like that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic fiduciary fund financial statements can be found on pages 32-33 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-77 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension benefits to its employees and its obligation to provide healthcare benefits to its retirees.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found after the Other Information section of this report.

County-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$67.1 million at the close of the most recent fiscal year. The following schedule shows the County's assets by category.

THE COUNTY'S NET ASSETS (in millions)

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 21.1	\$ 22.0	\$ 23.8	\$ 24.4	\$ 44.9	\$ 46.4
Capital assets	<u>31.9</u>	<u>32.9</u>	<u>17.8</u>	<u>17.8</u>	<u>49.7</u>	<u>50.7</u>
Total assets	<u>53.0</u>	<u>54.9</u>	<u>41.6</u>	<u>42.2</u>	<u>94.6</u>	<u>97.1</u>
Long-term liabilities outstanding	10.0	9.4	7.8	8.1	17.8	17.5
Other liabilities	<u>7.4</u>	<u>6.2</u>	<u>2.4</u>	<u>2.8</u>	<u>9.8</u>	<u>9.0</u>
Total liabilities	<u>17.4</u>	<u>15.6</u>	<u>10.2</u>	<u>10.9</u>	<u>27.6</u>	<u>26.5</u>
Net assets:						
Invested in capital assets, net						
of related debt	25.6	26.1	10.2	10.0	35.8	36.0
Restricted	5.5	8.0	12.2	12.1	17.7	20.2
Unrestricted	<u>4.5</u>	<u>5.2</u>	<u>9.0</u>	<u>9.2</u>	<u>13.5</u>	<u>14.4</u>
Total net assets	<u>\$ 35.6</u>	<u>\$ 39.3</u>	<u>\$ 31.4</u>	<u>\$ 31.3</u>	<u>\$ 67.0</u>	<u>\$ 70.6</u>

By far, the largest portion of the County's net assets, \$35,799,885 (53.4%), is its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets \$17,757,219 (26.5%) represents resources that are subject to external restrictions on how they may be used. The County's unrestricted net assets are \$13,494,871 (20.1%). These assets may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the 2009 fiscal year, the County is able to report positive balances in all three net asset categories (invested in capital asset-net of related debt, restricted and unrestricted) both for the government as a whole, as well as for its separate governmental and business-type activities.

COUNTY'S CHANGES IN NET ASSETS (in millions)

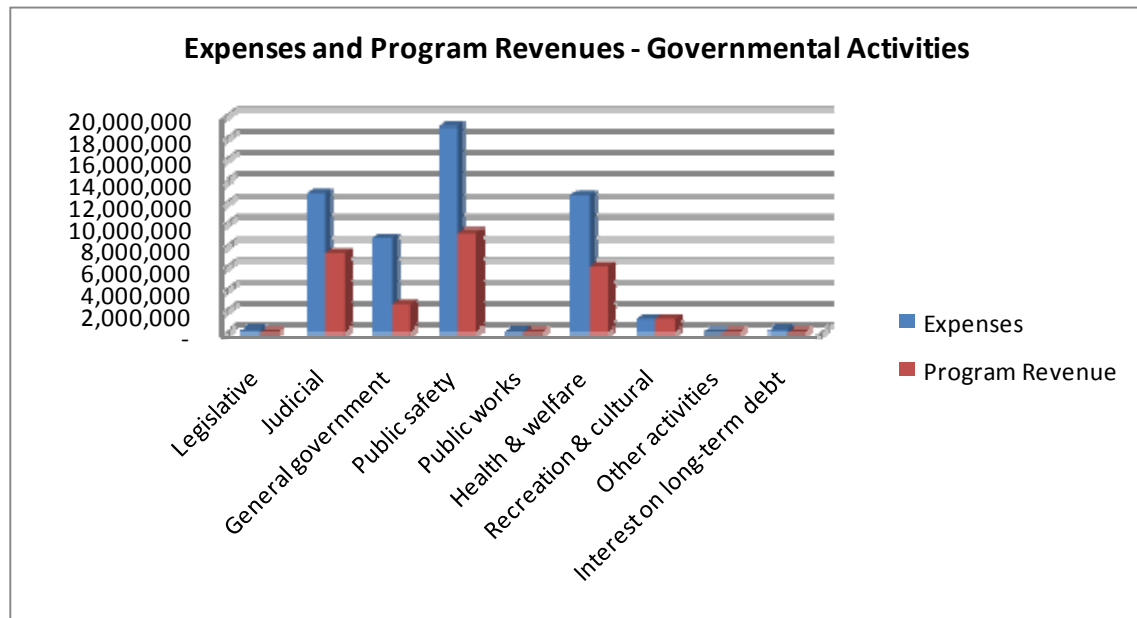
	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Revenue:						
Program revenue:						
Charges for services	\$ 13.4	\$ 14.3	\$ 14.8	\$ 13.7	\$ 28.2	\$ 28.2
Operating grants and contributions	13.0	12.8	.1	.5	13.1	13.1
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	22.7	22.5	.9	1.0	23.6	23.5
Other	<u>.6</u>	<u>.8</u>	<u>-</u>	<u>-</u>	<u>.6</u>	<u>.8</u>
Total revenue	<u>49.7</u>	<u>50.4</u>	<u>15.8</u>	<u>15.2</u>	<u>65.5</u>	<u>65.6</u>
Expenses:						
Legislative	.3	.3	-	-	.3	.3
Judicial	13.3	13.1	-	-	13.3	13.1
General government	7.3	7.2	-	-	7.3	7.2
Public safety	20.0	20.0	-	-	20.0	20.0
Public works	.1	.1	-	-	.1	.1
Health and welfare	12.7	12.7	-	-	12.7	12.7
Recreation and cultural	1.2	1.4	-	-	1.2	1.4
Other governmental	-	-	-	-	-	-
Interest on long-term debt	.3	.3	.3	-	.6	.3
Medical Care facility	-	-	12.3	12.1	12.3	12.1
Delinquent tax collections	-	-	.7	.5	.7	.5
Inmate concessions	-	-	.6	.6	.6	.6
Property description	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>55.2</u>	<u>55.1</u>	<u>13.9</u>	<u>13.2</u>	<u>69.1</u>	<u>68.3</u>
Increase (decrease) in net assets before transfers	(5.5)	(4.7)	1.9	2.0	(3.6)	(2.7)
Transfers	<u>1.7</u>	<u>1.5</u>	<u>(1.7)</u>	<u>(1.5)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	(3.8)	(3.2)	.2	.5	(3.6)	(2.7)
Net assets – beginning of year	<u>39.4</u>	<u>42.5</u>	<u>31.2</u>	<u>30.8</u>	<u>70.6</u>	<u>73.3</u>
Net assets - end of year	<u>\$ 35.6</u>	<u>\$ 39.3</u>	<u>\$ 31.4</u>	<u>\$ 31.3</u>	<u>\$ 67.0</u>	<u>\$ 70.6</u>

The County's net assets decreased by \$3,560,615 during the current fiscal year; however, governmental activities experienced a decrease of \$3,778,582 whereas business-type activities had an increase of \$217,967.

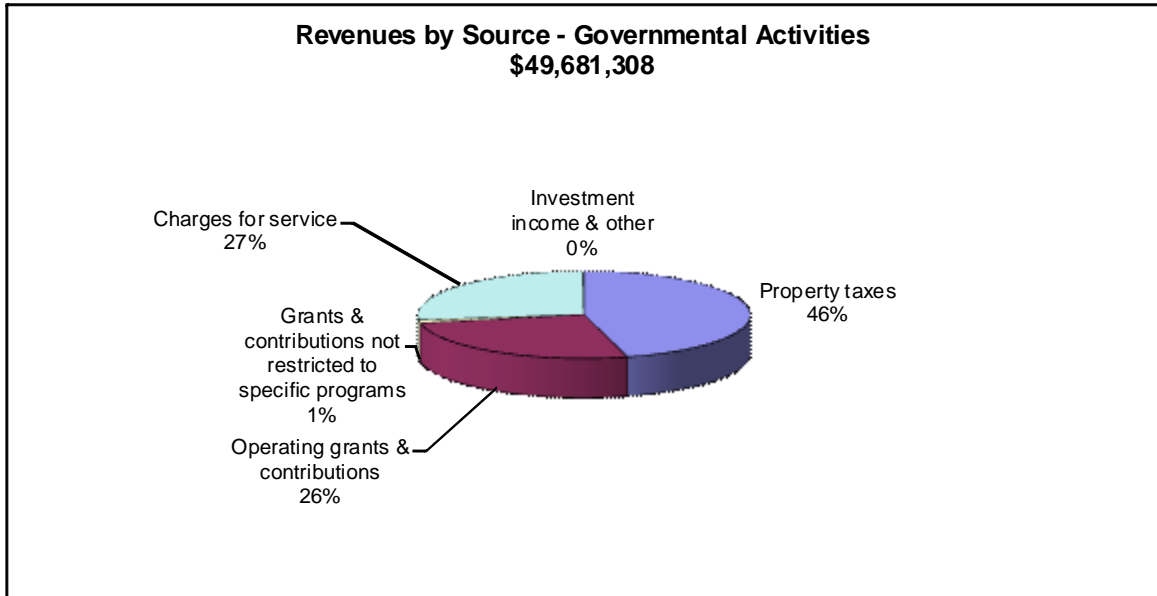
Governmental activities. Net assets decreased by \$3,778,582, a result of continual declining revenue streams coupled with increasing expenditure demands.

Items of note include the following:

- Charges for services within the General Government and Public Safety areas experienced a net decrease of \$868,000 (6.1%) during the year. The jail bed rental reimbursements for federal and state detainees were significantly less in 2009. Decreases also occurred in Register of Deeds fees and Election fees.
- Property Taxes increased approximately \$319,000 (1.4%) during the year. This difference is mainly due to a slight increase in taxable value.
- Unrestricted Investment Earnings have decreased \$227,000 (27.3%) mostly due to declining interest rates.



Despite inflationary pressures and continued demand for services, expenditures in 2009 were relatively flat in comparison to the prior year, with only a net increase of \$182,000 (.3%). This is mostly attributed to the collective and determined efforts of the County's staff to recognize our financial limitations, function effectively within those parameters, with no compromise to the level of service to the citizens.



Business-type activities. Business-type activities increased the County's net assets by \$217,967 for the current year. The key elements of the current year increase are as follows:

- The Medical Care Facility had a decrease in net assets of \$307,362 mainly due to a decline in taxes and interest revenue, and a loss of sale of property. The operating loss was reduced by \$625,866 from the prior year due to an increase in charges for services.
- The Delinquent Tax Revolving Fund contributed \$2.1 million to the increase in net assets before transfers but after a \$1.55 million transfer to the General Fund, the remaining contribution totaled \$506,739. However, this is \$406,000 less than the previous year due to the declining interest revenue received.

Financial Analysis of the County's Funds

As noted earlier, The County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$9,642,333, a decrease of \$2,332,180 in comparison with the prior year, with some factors that led to this use of fund balance listed below. Of the fund balance amount, \$9,502,696 constitutes *unreserved fund balance*, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,779,909, while total fund balance was \$3,859,445.

As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to prior year expenditures. Unreserved fund balance represents 9.5 percent of total general fund expenditures for the prior year thereby meeting the Board of Commissioners adopted policy, as well as the Government Finance Officers Association recommended practices.

The County's General Fund – fund balance decreased by \$64,600 during the current fiscal year. In anticipation of declining revenues in jail bed rental reimbursement for federal and state prisoners and interest income, the County was able to reduce fringe benefit departmental charges accordingly to compensate. These actions, coupled with expenditure savings due to prudent fiscal management, resulted in minimal use of fund balance in 2009.

The Health Department experienced an increase to fund balance during 2009. Operating revenue increased by \$225,000 or 7.8% mainly due to an increase in Federal and Local grants received. On the other hand, expenses remained flat only increasing \$9,600 or .2%, mainly due to a reduction in capital purchases.

The Senior Millage fund decreased their fund balance by \$2,300 during 2009 primarily due to a decrease in interest earnings recorded. Total fund balance at the end of the year is \$465,266.

The Child Care fund has a fund balance of \$218,730 representing current year savings that will be used to fund the home-care expenditures (both inside and outside of the home) for children programs in the upcoming fiscal year.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Delinquent Tax Revolving Fund and the Medical Care Facility at the end of the year amounted to \$8.0 million and \$815 thousand, respectively. This is a decrease of \$162 thousand from the previous year. Factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Revenues in the general fund (including transfers in) increased \$88,166 from the original to the final budget. This was primarily attributable to budgeted increased revenues related to Public Safety operations (\$54,000) as well as additional budgeted reimbursement received in the Water Resources office (\$34,000).

A corresponding increase in budgeted expenditures in the general fund (including transfers out) of \$123,767 occurred from the original to final budget. In conjunction with the revenue increases in the Public Safety and Water Resources areas mentioned above, it was necessary to increase the associated expenditures for various services rendered totaling \$88,000. The remainder of the expenditure increases (\$35,000) related to the carryover of funding for Contractual Services and Legal Fees as it related to 2008 purchase orders.

Overall during the year, total general fund revenues and expenditures were less than or equal to the final budget.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets (net of accumulated depreciation) as of December 31, 2009 for its governmental and business-type activities amounted to \$31,667,898 and \$17,810,371 respectively. These capital assets include land, buildings and improvements, equipment and furniture, and vehicles.

The total decrease in the County's investment in capital assets for the current fiscal year was \$683,148 and is primarily a result of depreciation on previous purchases exceeding new purchases for Governmental activities.

THE COUNTY'S CAPITAL ASSETS (Net of depreciation)

	Governmental activities	Business-type activities	Total
Land	\$ 1,266,264	\$ -	\$ 1,266,264
Construction in process	-	-	-
Buildings and improvements	28,585,617	16,928,845	45,514,462
Equipment and furniture	1,535,233	881,526	2,416,759
Vehicles	280,784	-	280,784
	<u>\$31,667,898</u>	<u>\$17,810,371</u>	<u>\$49,478,269</u>

Additional information on the County's capital assets can be found in note III.D. of the footnotes to this report.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$14,315,000, a decrease of \$590,000 during the current fiscal year. The County issued \$50,000 less in delinquent tax notes compared to the prior year, and also retired debt of \$540,000 in general obligation bonds. The entire balance comprises debt backed by the full faith and credit of the County.

THE COUNTY'S OUTSTANDING DEBT
General Obligation

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 6,515,000	\$ 6,855,000	\$ 7,600,000	\$ 7,800,000	\$ 14,115,000	\$ 14,655,000
Delinquent tax notes	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>250,000</u>	<u>200,000</u>	<u>250,000</u>
	<u>\$ 6,515,000</u>	<u>\$ 6,855,000</u>	<u>\$ 7,800,000</u>	<u>\$ 8,050,000</u>	<u>\$ 14,315,000</u>	<u>\$ 14,905,000</u>

The County has an “AA-” rating for both general obligation bonds and tax anticipation notes from Standard & Poor’s.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current debt limitation for the County is \$457,871,289, which is significantly in excess of the County’s outstanding general obligation debt.

Additional information on the County’s long-term debt can be found in note III.H. of the footnotes to this report.

Economic Factors and Next Year’s Budgets

The following factors were considered in preparing the County’s budget for the 2010 fiscal year:

- The economic downturn, stock market decline, declining housing sales, and foreclosures have impacted fiscal operations. The historical rate of increase in taxable value of real and personal property in the County is 3 to 4 percent per year. We do not anticipate that this trend will continue. In the short term the trend is slightly negative. We anticipate this to be followed by a period of stabilization with increases starting in approximately 2012.
- Interest rates are at historically low levels which effect interest earnings.
- National trends in escalating healthcare insurance continue to point to a doubling of those costs over the next four to five years. This has resulted in a continual review of benefits and the implementation of strategies to control these costs.
- The County policy is to maintain a general fund unreserved balance that is 8.0% - 12.0% of operating expenditures of the previous year. The 2010 budget was developed with a fund balance within these policy guidelines.
- Inflationary trends in the region compare favorably to national indices.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to The County Finance Department, 315 West Green Street, Marshall, Michigan 49068.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF CALHOUN, MICHIGAN

Statement of Net Assets

December 31, 2009

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 11,231,681	\$ 6,060,160	\$ 17,291,841	\$ 540,229
Investments	37,765	3,502,453	3,540,218	-
Receivables, net	9,705,582	13,884,374	23,589,956	11,187,036
Internal balances	(202,413)	202,413	-	-
Prepaid items and other assets	565,007	157,703	722,710	765,480
Capital assets not being depreciated	1,266,264	-	1,266,264	25,318,182
Capital assets being depreciated, net	30,401,634	17,810,371	48,212,005	23,520,683
 Total assets	 53,005,520	 41,617,474	 94,622,994	 61,331,610
Liabilities				
Accounts payable and accrued liabilities	4,395,179	1,476,364	5,871,543	1,714,934
Unearned revenue	2,985,136	897,386	3,882,522	5,510
Long-term liabilities:				
Due within one year	975,328	450,000	1,425,328	1,638,838
Due in more than one year	7,256,708	7,350,000	14,606,708	9,540,842
Other noncurrent liability - net other postemployment benefit liability	1,784,918	-	1,784,918	150,132
 Total liabilities	 17,397,269	 10,173,750	 27,571,019	 13,050,256
Net assets				
Invested in capital assets, net of related debt	25,589,514	10,210,371	35,799,885	45,497,304
Restricted for:				
Debt service	-	10,014,667	10,014,667	-
State revenue sharing	1,510,969	-	1,510,969	-
Programs	3,999,702	2,195,335	6,195,037	-
Perpetual care - nonexpendable	36,546	-	36,546	-
Unrestricted	4,471,520	9,023,351	13,494,871	2,784,050
 Total net assets	 \$ 35,608,251	 \$ 31,443,724	 \$ 67,051,975	 \$ 48,281,354

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 278,218	\$ 46	\$ 500	\$ -	\$ (277,672)
Judicial	13,276,476	3,988,700	3,336,953	-	(5,950,823)
General government	7,301,080	1,067,510	1,513,085	-	(4,720,485)
Public safety	20,025,881	7,180,480	2,036,718	-	(10,808,683)
Public works	102,313	-	-	-	(102,313)
Health and welfare	12,721,317	759,116	5,262,595	-	(6,699,606)
Recreation and cultural	1,212,391	375,826	796,400	-	(40,165)
Interest on long-term debt	256,847	-	3	-	(256,844)
Total governmental activities	<u>55,174,523</u>	<u>13,371,678</u>	<u>12,946,254</u>	<u>-</u>	<u>(28,856,591)</u>
Business-type activities:					
Medical Care Facility	12,339,701	11,427,560	(24,041)	-	(936,182)
Delinquent tax collections/forfeitures	616,862	2,579,770	96,101	-	2,059,009
Inmate concessions	627,488	814,302	-	-	186,814
Property description	876	-	-	-	(876)
Interest on long-term debt	292,920	-	-	-	(292,920)
Total business-type activities	<u>13,877,847</u>	<u>14,821,632</u>	<u>72,060</u>	<u>-</u>	<u>1,015,845</u>
Total primary government	<u>\$ 69,052,370</u>	<u>\$ 28,193,310</u>	<u>\$ 13,018,314</u>	<u>\$ -</u>	<u>\$ (27,840,746)</u>
Component units					
County Drains	\$ 298,107	\$ -	\$ 16,329	\$ 488,374	\$ 206,596
County Roads	9,887,644	1,804,506	7,943,884	2,127,341	1,988,087
Board of Public Works	787,182	21,811	892,919	-	127,548
Land Bank	6,135	38,132	-	-	31,997
Total component units	<u>\$ 10,979,068</u>	<u>\$ 1,864,449</u>	<u>\$ 8,853,132</u>	<u>\$ 2,615,715</u>	<u>\$ 2,354,228</u>

continued...

COUNTY OF CALHOUN, MICHIGAN
Statement of Activities (Concluded)
For the Year Ended December 31, 2009

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (28,856,591)	\$ 1,015,845	\$ (27,840,746)	\$ 2,354,228
General revenues:				
Property taxes	22,759,037	919,795	23,678,832	-
Grants and contributions not restricted to specific programs	554,629	-	554,629	-
Unrestricted investment earnings	49,710	-	49,710	1,755
Gain on sale of capital assets	-	-	-	47,329
Transfers - internal activities	1,714,633	(1,717,673)	(3,040)	-
 Total general revenues and transfers	 25,078,009	 (797,878)	 24,280,131	 49,084
 Change in net assets	 (3,778,582)	 217,967	 (3,560,615)	 2,403,312
Net assets, beginning of year	39,386,833	31,225,757	70,612,590	45,878,042
Net assets, end of year	\$ 35,608,251	\$ 31,443,724	\$ 67,051,975	\$ 48,281,354

The accompanying notes are an integral part of these financial statements.

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FUND FINANCIAL STATEMENTS

COUNTY OF CALHOUN, MICHIGAN

Balance Sheet Governmental Funds December 31, 2009

	General Fund	Health Department	Senior Millage	Child Care	Other Governmental Funds	Total
<u>ASSETS</u>						
Assets						
Cash and cash equivalents	\$ 2,435,296	\$ 765,931	\$ 963,319	\$ -	\$ 3,545,870	\$ 7,710,416
Investments	-	-	-	-	37,765	37,765
Receivables:						
Accounts	324,124	140,293	-	61	347,127	811,605
Current taxes	2,476,263	-	2,680,022	-	-	5,156,285
Delinquent taxes	278,970	-	50,256	-	13,620	342,846
Accrued interest	-	-	-	-	437	437
Due from other governments	1,699,324	55,193	-	362,724	1,162,792	3,280,033
Due from other funds	19,348	-	-	-	2,291	21,639
Interfund receivable	-	-	-	-	571,937	571,937
Advances to component units	76,600	-	-	-	-	76,600
Prepaid items	2,936	10,025	-	-	13,530	26,491
<u>TOTAL ASSETS</u>	\$ 7,312,861	\$ 971,442	\$ 3,693,597	\$ 362,785	\$ 5,695,369	\$ 18,036,054
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	\$ 502,271	\$ 52,737	\$ 416,524	\$ 46,622	\$ 357,007	\$ 1,375,161
Accrued payroll	1,124,917	40,531	-	-	-	1,165,448
Due to other governments	-	151,929	-	-	265,062	416,991
Due to other funds	-	-	-	-	5,921	5,921
Interfund payables	-	-	-	97,433	474,504	571,937
Deferred revenue	1,826,228	190,813	2,811,807	-	29,415	4,858,263
Total liabilities	3,453,416	436,010	3,228,331	144,055	1,131,909	8,393,721
Fund balances						
Reserved for advances and prepaid items	79,536	10,025	-	-	13,530	103,091
Reserved for perpetual care	-	-	-	-	36,546	36,546
Unreserved:						
Undesignated	3,779,909	525,407	465,266	218,730	-	4,989,312
Undesignated, reported in nonmajor:						
Special revenue funds	-	-	-	-	4,227,695	4,227,695
Debt service funds	-	-	-	-	7,881	7,881
Capital project funds	-	-	-	-	276,476	276,476
Permanent funds	-	-	-	-	1,332	1,332
Total fund balances	3,859,445	535,432	465,266	218,730	4,563,460	9,642,333
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 7,312,861	\$ 971,442	\$ 3,693,597	\$ 362,785	\$ 5,695,369	\$ 18,036,054

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
December 31, 2009

Fund balances - total governmental funds	\$ 9,642,333
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.

Add - capital assets not being depreciated	1,266,264
Add - capital assets being depreciated	57,614,039
Deduct - accumulated depreciation	(29,969,502)

Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the governmental funds, and thus are not included in fund balance.

Add - deferred property taxes	1,884,077
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Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.

Add - net assets of governmental activities accounted for in internal service funds	4,938,720
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Certain liabilities, such as bonds and capital leases payable, are not due and payable in the current period, and therefore are not reported in the funds.

Deduct - bonds and capital leases payable, long-term portion	(6,074,046)
Deduct - bonds and capital leases payable, current portion	(386,240)
Add - unamortized bond issuance costs	155,218
Deduct - unamortized gain on bond refunding	(11,947)
Deduct - other postemployment benefit obligation	(1,784,918)
Deduct - compensated absences	(1,608,834)
Deduct - accrued interest on long-term liabilities	(56,913)

Net assets of governmental activities	<u><u>\$ 35,608,251</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2009

	General Fund	Health Department	Senior Millage	Child Care	Other Governmental Funds	Total
Revenue						
Taxes	\$ 18,967,117	\$ -	\$ 2,778,534	\$ -	\$ 911,616	\$ 22,657,267
Licenses and permits	92,305	289,617	-	-	13,956	395,878
Intergovernmental	2,709,617	2,568,114	-	2,175,184	4,390,048	11,842,963
Charges for services	10,988,413	208,460	-	130,966	575,147	11,902,986
Fines and forfeitures	839,661	-	-	-	69,212	908,873
Interest and rents	36,131	-	7,119	-	13,358	56,608
Other	956,538	20,356	1,269	-	889,113	1,867,276
Total revenue	34,589,782	3,086,547	2,786,922	2,306,150	6,862,450	49,631,851
Expenditures						
Current:						
Legislative	225,825	-	-	-	-	225,825
Judicial	8,244,694	-	-	-	3,965,778	12,210,472
General government	6,541,615	-	-	-	8,680	6,550,295
Public safety	14,875,384	-	-	-	2,609,785	17,485,169
Public works	102,313	-	-	-	-	102,313
Health and welfare	985,895	3,645,660	2,794,808	4,562,161	705,329	12,693,853
Recreation and cultural	-	-	-	-	1,038,774	1,038,774
Other	2,459,207	-	-	-	18,506	2,477,713
Debt service:						
Principal	13,845	-	-	-	340,000	353,845
Interest and fiscal charges	1,527	-	-	-	377,750	379,277
Capital outlay	148,159	47,044	-	24,960	183,857	404,020
Total expenditures	33,598,464	3,692,704	2,794,808	4,587,121	9,248,459	53,921,556
Revenue over (under) expenditures	991,318	(606,157)	(7,886)	(2,280,971)	(2,386,009)	(4,289,705)
Other financing sources (uses)						
Transfers in	4,987,276	843,800	5,588	2,338,644	2,968,983	11,144,291
Transfers out	(6,043,194)	-	-	-	(3,143,572)	(9,186,766)
Total other financing sources (uses)	(1,055,918)	843,800	5,588	2,338,644	(174,589)	1,957,525
Net change in fund balances	(64,600)	237,643	(2,298)	57,673	(2,560,598)	(2,332,180)
Fund balances, beginning of year	3,924,045	297,789	467,564	161,057	7,124,058	11,974,513
Fund balances, end of year	\$ 3,859,445	\$ 535,432	\$ 465,266	\$ 218,730	\$ 4,563,460	\$ 9,642,333

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2009

Net change in fund balances - total governmental funds	\$ (2,332,180)
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Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay	404,020
Deduct - depreciation expense	(1,467,445)
Deduct - net book value of capital assets sold	(31,124)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Add - change in deferred property taxes and special assessments	101,774
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.

Add - principal payments on long-term liabilities	353,845
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Add - change in accrued interest on bonds	122,430
Deduct - increase in the accrual for net other postemployment benefit obligations	(941,126)
Deduct - decrease in the accrual of compensated absences	(57,760)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities -

Add - interest revenue from governmental internal service funds	6,423
Add - net operating income from governmental activities accounted for in internal service funds	305,453
Deduct - internal activities (transfers) accounted for in internal service funds	(242,892)

Change in net assets of governmental activities	<u><u>\$ (3,778,582)</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund

For the Year Ended December 31, 2009

(With Comparative Actual Amounts for the Year Ended December 31, 2008)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2008
Revenue					
Taxes:					
Property taxes	\$ 18,600,964	\$ 18,600,964	\$ 18,458,568	\$ (142,396)	\$ 18,305,152
Industrial/commercial facilities tax	274,349	274,349	428,353	154,004	400,858
Payment in lieu of taxes	35,000	35,000	33,789	(1,211)	22,711
Trailer fees	13,000	13,000	15,564	2,564	18,106
Interest and fees	23,000	23,000	30,843	7,843	32,096
Total taxes	18,946,313	18,946,313	18,967,117	20,804	18,778,923
Licenses and permits:					
Dog licenses	64,800	64,800	52,768	(12,032)	58,448
Concealed weapons licenses	11,500	11,500	34,762	23,262	18,668
Marriage licenses	4,200	4,200	4,775	575	4,910
Total licenses and permits	80,500	80,500	92,305	11,805	82,026
Intergovernmental:					
Local grants	-	-	500	500	-
Emergency services	24,000	24,000	25,330	1,330	22,995
Circuit judges' salary	182,900	182,900	182,896	(4)	182,896
District judges' salary	182,900	182,900	182,896	(4)	182,896
Probate judges' salary	296,500	296,500	296,492	(8)	296,445
Sheriff	12,000	28,000	15,999	(12,001)	43,664
Prosecuting Attorney	5,200	5,200	6,535	1,335	12,727
Juvenile officer grant	52,775	52,775	52,775	-	52,776
Marine safety	26,000	26,000	33,888	7,888	35,483
Liquor law enforcement	9,800	9,800	8,642	(1,158)	9,376
Liquor taxes	709,688	709,688	678,396	(31,292)	70,088
Cigarette taxes	44,230	44,230	34,358	(9,872)	47,439
Court equity program	965,000	965,000	931,803	(33,197)	1,018,316
ADC incentive	415,000	415,000	220,242	(194,758)	304,759
Juror fee reimbursement	52,000	52,000	38,865	(13,135)	43,733
Total intergovernmental	2,977,993	2,993,993	2,709,617	(284,376)	2,323,593
Charges for services:					
Circuit court fees	411,200	411,200	398,024	(13,176)	367,585
District court fees	2,524,072	2,524,072	2,364,268	(159,804)	2,203,989
Friend of the court fees	148,500	148,500	172,285	23,785	167,053
Probate court fees	65,550	65,550	62,520	(3,030)	67,598
Public defender fees	100,000	100,000	90,920	(9,080)	82,022
Election fees	30,000	30,000	20,183	(9,817)	80,377
Clerk/register fees	1,007,010	1,007,010	805,943	(201,067)	939,699
Prosecuting attorney fees	27,000	27,000	25,321	(1,679)	43,505
Equalization fees	8,000	8,000	5,559	(2,441)	41,582
Treasurer fees	10,000	10,000	10,872	872	11,274
Survey and remonumentation	18,400	52,502	37,050	(15,452)	21,862
Sheriff service fees	7,999,855	8,019,328	6,963,697	(1,055,631)	7,820,289
Tether program	15,800	15,800	3,061	(12,739)	-
Collection fees	10,000	10,000	13,710	3,710	12,606
Cooperative extension fees	16,500	16,500	15,000	(1,500)	16,334
Total charges for services	12,391,887	12,445,462	10,988,413	(1,457,049)	11,875,775

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for the Year Ended December 31, 2008)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2008
Revenue (continued)					
Fines and forfeitures:					
Bond forfeitures	\$ 85,000	\$ 85,000	\$ 56,527	\$ (28,473)	\$ 87,006
Ordinance fines and costs	960,000	960,000	783,134	(176,866)	857,594
Total fines and forfeitures	1,045,000	1,045,000	839,661	(205,339)	944,600
Interest and rents:					
Interest on investments	300,000	300,000	36,131	(263,869)	176,391
Other:					
Vending commissions	600	600	-	(600)	212
Sale of equipment	12,000	12,000	15,246	3,246	205
Indirect cost reimbursements	285,804	285,804	229,702	(56,102)	250,002
Miscellaneous	730,521	749,112	711,590	(37,522)	721,747
Total other	1,028,925	1,047,516	956,538	(90,978)	972,166
Total revenue	36,770,618	36,858,784	34,589,782	(2,269,002)	35,153,474
Expenditures					
Legislative:					
Board of commissioners	222,837	227,856	225,825	(2,031)	216,517
Judicial:					
Circuit court	971,343	976,516	930,008	(46,508)	936,012
Circuit court - family	1,120,169	1,123,580	955,026	(168,554)	990,853
Indigent public defender	1,945,801	1,945,801	1,729,230	(216,571)	1,810,484
District court	3,727,759	3,734,327	3,604,984	(129,343)	3,524,312
Probate court	863,007	870,057	829,343	(40,714)	845,842
Circuit court probation	34,453	34,453	27,724	(6,729)	34,336
Court services	170,612	170,813	168,379	(2,434)	165,263
Total judicial	8,833,144	8,855,547	8,244,694	(610,853)	8,307,102
General government:					
Elections	116,609	117,330	125,490	8,160	267,256
Civil counsel	136,543	154,543	148,298	(6,245)	152,484
Clerk of the circuit court	550,582	556,350	526,235	(30,115)	521,770
Clerk/register	698,465	706,372	685,247	(21,125)	700,380
Administrator	351,117	355,236	335,670	(19,566)	388,211
Finance	495,334	499,734	493,458	(6,276)	490,130
Equalization	361,869	365,557	338,076	(27,481)	346,333
Personnel	290,541	293,900	279,567	(14,333)	175,250
Purchasing	59,890	62,267	60,376	(1,891)	58,896
Prosecuting attorney	2,509,876	2,521,047	2,400,683	(120,364)	2,342,759
Treasurer	521,065	526,200	527,750	1,550	564,485
Cooperative extension	196,897	197,802	190,444	(7,358)	192,250

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual (Continued)
General Fund
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for the Year Ended December 31, 2008)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2008
Expenditures (continued)					
General government (concluded):					
Water Resources commissioner	\$ 222,569	\$ 259,277	\$ 237,858	\$ (21,419)	\$ 222,456
Administrative services	117,249	117,133	54,674	(62,459)	74,229
Planning department	33,213	33,213	31,365	(1,848)	34,440
Emergency services	95,478	98,408	95,924	(2,484)	101,467
Soil conservation district	10,000	10,000	10,000	-	15,000
Potawatomi RC&D	500	500	500	-	500
Total general government	6,767,797	6,874,869	6,541,615	(333,254)	6,648,296
Public safety:					
Sheriff - administration	663,367	667,704	612,247	(55,457)	718,276
Support service	331,241	331,241	305,006	(26,235)	303,905
Detective division	171,657	171,657	167,755	(3,902)	89,747
Road patrol	1,231,623	1,255,702	1,223,147	(32,555)	1,365,480
Tekonsha contract	-	-	-	-	32,944
Pennfield contract	861,939	865,030	822,556	(42,474)	833,612
Traffic safety	437,807	417,659	379,634	(38,025)	341,582
Sheriff training	110,718	108,218	72,630	(35,588)	95,199
MDOT	-	8,508	8,508	-	6,896
Convis Township contract	79,795	79,795	76,977	(2,818)	71,857
Civil process	115,956	113,342	100,586	(12,756)	111,838
T.E.A.M.	49,022	49,022	24,061	(24,961)	53,650
CISD	66,217	75,217	71,179	(4,038)	67,527
Marine safety	63,879	64,186	74,261	10,075	58,252
Work program	142,356	142,356	-	(142,356)	58,654
Tether program	69,301	69,301	19,750	(49,551)	3,067
Corrections/jail	10,887,209	10,887,209	10,490,531	(396,678)	10,514,845
Community corrections - administration	235,095	238,047	237,091	(956)	227,531
Drug enforcement	54,235	55,847	54,546	(1,301)	52,969
Animal control	133,407	133,407	134,849	1,442	151,896
Huron-Potawatomi	-	-	70	70	-
Total public safety	15,704,824	15,733,448	14,875,384	(858,064)	15,159,727
Public works:					
Drain assessments	94,837	94,837	94,837	-	113,675
Board of public works	7,476	7,476	7,476	-	6,780
Total public works	102,313	102,313	102,313	-	120,455
Health and welfare:					
Substance abuse	354,844	354,844	339,198	(15,646)	35,044
Mental health	265,000	265,000	265,000	-	265,000
Medical examiner	182,700	182,700	224,535	41,835	175,738
Veteran's burials	50,400	50,400	35,400	(15,000)	48,525
Veteran's services	133,489	135,052	121,762	(13,290)	132,347
Total health and welfare	986,433	987,996	985,895	(2,101)	656,654

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual (Concluded)
General Fund
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for the Year Ended December 31, 2008)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2008
Expenditures (concluded)					
Other - intergovernmental services	\$ 2,208,000	\$ 2,119,612	\$ 2,459,207	\$ 339,595	\$ 2,383,042
Debt Service:					
Principal	3,236	13,845	13,845	-	28,308
Interest and fiscal charges	227	1,527	1,527	-	1,359
Total debt service	3,463	15,372	15,372	-	29,667
Capital outlay	365,796	151,212	148,159	(3,053)	180,316
Total expenditures	35,194,607	35,068,225	33,598,464	(1,469,761)	33,701,776
Revenue over (under) expenditures	1,576,011	1,790,559	991,318	(799,241)	1,451,698
Other financing sources (uses)					
Proceeds from capital leases	-	-	-	-	33,759
Transfers in	4,889,272	4,889,272	4,987,276	98,004	4,833,977
Transfers out	(6,516,361)	(6,766,509)	(6,043,194)	723,315	(5,931,374)
Total other financing uses	(1,627,089)	(1,877,237)	(1,055,918)	821,319	(1,063,638)
Net change in fund balance	(51,078)	(86,678)	(64,600)	22,078	388,060
Fund balance, beginning of year	3,924,045	3,924,045	3,924,045	-	3,535,985
Fund balance, end of year	\$ 3,872,967	\$ 3,837,367	\$ 3,859,445	\$ 22,078	\$ 3,924,045

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Health Department
For the Year Ended September 30, 2009
(With Comparative Actual Amounts for the Year Ended September 30, 2008)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2008
Revenue					
Licenses and permits	\$ 319,655	\$ 319,655	\$ 289,617	\$ (30,038)	\$ 297,674
Intergovernmental	2,504,153	2,754,006	2,568,114	(185,892)	2,383,905
Charges for services	160,527	191,012	208,460	17,448	176,603
Other	15,959	34,753	20,356	(14,397)	3,856
Total revenue	3,000,294	3,299,426	3,086,547	(212,879)	2,862,038
Expenditures					
Current -					
Health and welfare	3,912,271	4,150,041	3,645,660	(504,381)	3,599,430
Debt service:					
Principal	-	-	-	-	4,491
Interest and fiscal charges	-	-	-	-	49
Capital outlay	-	61,362	47,044	(14,318)	79,113
Total expenditures	3,912,271	4,211,403	3,692,704	(518,699)	3,683,083
Revenue over (under) expenditures	(911,977)	(911,977)	(606,157)	305,820	(821,045)
Other financing sources					
Transfers in	859,371	859,371	843,800	(15,571)	836,124
Net change in fund balance	(52,606)	(52,606)	237,643	290,249	15,079
Fund balance, beginning of year	297,789	297,789	297,789	-	282,710
Fund balance, end of year	\$ 245,183	\$ 245,183	\$ 535,432	\$ 290,249	\$ 297,789

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Senior Millage
For the Year Ended December 31, 2009
(With Comparative Actual Amounts for the Year Ended December 31, 2008)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2008
Revenue					
Taxes	\$ 2,832,929	\$ 2,832,929	\$ 2,778,534	\$ (54,395)	\$ 2,737,566
Intergovernmental	-	-	-	-	10,000
Interest and rents	65,000	65,000	7,119	(57,881)	44,386
Other	600	600	1,269	669	1,426
Total revenue	2,898,529	2,898,529	2,786,922	(111,607)	2,793,378
Expenditures					
Current -					
Health and welfare	2,899,348	2,899,348	2,794,808	(104,540)	2,843,724
Revenue under expenditures	(819)	(819)	(7,886)	(7,067)	(50,346)
Other financing sources					
Transfers in	5,595	5,595	5,588	(7)	-
Net change in fund balance	4,776	4,776	(2,298)	(7,074)	(50,346)
Fund balance, beginning of year	467,564	467,564	467,564	-	517,910
Fund balance, end of year	\$ 472,340	\$ 472,340	\$ 465,266	\$ (7,074)	\$ 467,564

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Child Care

For the Year Ended December 31, 2009

(With Comparative Actual Amounts for the Year Ended December 31, 2008)

	Original Budget	Amended Budget	Actual	Over (Under) Budget	2008
Revenue					
Intergovernmental	\$ 2,370,146	\$ 2,467,327	\$ 2,175,184	\$ (292,143)	\$ 2,370,831
Charges for services	172,700	172,700	130,966	(41,734)	165,615
Total revenue	2,542,846	2,640,027	2,306,150	(333,877)	2,536,446
Expenditures					
Current -					
Health and welfare	5,294,040	5,368,204	4,562,161	(806,043)	4,861,683
Capital outlay	-	25,000	24,960	(40)	66,120
Total expenditures	5,294,040	5,393,204	4,587,121	(806,083)	4,927,803
Revenue under expenditures	(2,751,194)	(2,753,177)	(2,280,971)	472,206	(2,391,357)
Other financing sources					
Transfers in	2,601,194	2,601,194	2,338,644	(262,550)	2,102,413
Net change in fund balance	(150,000)	(151,983)	57,673	209,656	(288,944)
Fund balance, beginning of year	161,057	161,057	161,057	-	450,001
Fund balance, end of year	<u>\$ 11,057</u>	<u>\$ 9,074</u>	<u>\$ 218,730</u>	<u>\$ 209,656</u>	<u>\$ 161,057</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN

Statement of Net Assets

Proprietary Funds

December 31, 2009

	Business-type Activities				Governmental
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	Activities- Internal Service Funds
Assets					
Current assets:					
Cash and cash equivalents	\$ 423,439	\$ 5,499,259	\$ 137,462	\$ 6,060,160	\$ 3,521,265
Investments	-	3,502,453	-	3,502,453	-
Receivables:					
Accounts, net	1,529,031	360,865	84,342	1,974,238	19,276
Property taxes	846,077	-	-	846,077	-
Property taxes-delinquent	-	8,355,275	-	8,355,275	-
Accrued interest	-	2,113,072	-	2,113,072	-
Due from other governments	-	570,483	-	570,483	18,500
Advances to other funds	-	218,131	-	218,131	-
Advances to component units	-	25,229	-	25,229	-
Inventory	-	-	-	-	4,306
Prepaid items	157,703	-	-	157,703	378,992
Total current assets	2,956,250	20,644,767	221,804	23,822,821	3,942,339
Capital assets, net	17,774,601	33,445	2,325	17,810,371	2,757,097
Total assets	20,730,851	20,678,212	224,129	41,633,192	6,699,436
Liabilities					
Current liabilities:					
Accounts payable	527,522	-	43,607	571,129	213,740
Accrued payroll	148,997	-	-	148,997	-
Claims payable	-	-	-	-	1,166,926
Other accrued liabilities	535,493	-	-	535,493	-
Due to other governments	-	220,745	-	220,745	-
Due to other funds	-	15,718	-	15,718	-
Advance from other funds	-	-	-	-	218,131
Unearned revenue	897,386	-	-	897,386	10,950
Tax notes payable	-	200,000	-	200,000	-
Current portion of bonds payable	250,000	-	-	250,000	-
Current portion of capital leases payable	-	-	-	-	78,915
Total current liabilities	2,359,398	436,463	43,607	2,839,468	1,688,662
Long-term liabilities:					
Bonds payable	7,350,000	-	-	7,350,000	-
Capital leases payable	-	-	-	-	72,054
Total long-term liabilities	7,350,000	-	-	7,350,000	72,054
Total liabilities	9,709,398	436,463	43,607	10,189,468	1,760,716
Net assets					
Invested in capital assets, net of related debt	10,174,601	33,445	2,325	10,210,371	2,606,128
Restricted for debt service	-	10,014,667	-	10,014,667	-
Restricted for programs	31,535	2,163,800	-	2,195,335	-
Unrestricted	815,317	8,029,837	178,197	9,023,351	2,332,592
Total net assets	\$ 11,021,453	\$ 20,241,749	\$ 180,522	\$ 31,443,724	\$ 4,938,720

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Revenue, Expenses and
Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2009

	Business-type Activities				Governmental Activities- Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	
Operating revenue					
Charges for services	\$ 11,427,560	\$ -	\$ 814,302	\$ 12,241,862	\$ 11,317,348
Interest on taxes	-	1,401,864	-	1,401,864	-
Administrative fees and penalties	-	1,177,906	-	1,177,906	-
Other revenue	98,848	-	-	98,848	88,940
Total operating revenue	11,526,408	2,579,770	814,302	14,920,480	11,406,288
Operating expenses					
Personnel services / administration	6,883,301	558,855	-	7,442,156	70,939
Cost of services	-	-	-	-	10,639,292
Depreciation	742,959	14,717	876	758,552	390,604
Other	4,713,441	-	627,488	5,340,929	-
Total operating expenses	12,339,701	573,572	628,364	13,541,637	11,100,835
Operating income (loss)	(813,293)	2,006,198	185,938	1,378,843	305,453
Nonoperating revenue (expense)					
Property taxes	919,795	-	-	919,795	-
Loss on sale of property	(124,369)	-	-	(124,369)	-
Interest revenue	1,480	96,101	-	97,581	6,423
Interest and fiscal charges	(292,920)	(43,290)	-	(336,210)	-
Total nonoperating revenue	503,986	52,811	-	556,797	6,423
Income (loss) before transfers	(309,307)	2,059,009	185,938	1,935,640	311,876
Transfers					
Transfers in	1,945	-	-	1,945	55,000
Transfers out	-	(1,552,270)	(167,348)	(1,719,618)	(297,892)
Total transfers	1,945	(1,552,270)	(167,348)	(1,717,673)	(242,892)
Change in net assets	(307,362)	506,739	18,590	217,967	68,984
Net assets, beginning of year	11,328,815	19,735,010	161,932	31,225,757	4,869,736
Net assets, end of year	\$ 11,021,453	\$ 20,241,749	\$ 180,522	\$ 31,443,724	\$ 4,938,720

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2009

	Business-type Activities				Governmental Activities- Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	
Cash flows from operating activities					
Cash received from customers	\$ 11,229,472	\$ 2,111,599	\$ 796,999	\$ 14,138,070	\$ -
Cash received from interfund services	-	-	-	-	11,488,835
Cash payments to suppliers	(5,079,969)	(1,429,104)	(636,989)	(7,146,062)	(9,132,505)
Cash payments to employees	(7,126,265)	-	-	(7,126,265)	(969,664)
Net cash provided by (used in) operating activities	(976,762)	682,495	160,010	(134,257)	1,386,666
Cash flows from noncapital financing activities					
Property taxes	919,795	-	-	919,795	-
Cash received on advances to other funds	-	25,515	-	25,515	-
Transfers in	1,945	-	-	1,945	55,000
Transfers (out)	-	(1,552,270)	(167,348)	(1,719,618)	(297,892)
Tax notes issued	-	4,600,000	-	4,600,000	-
Tax notes redeemed	-	(4,650,000)	-	(4,650,000)	-
Net cash provided by (used in) noncapital financing activities	921,740	(1,576,755)	(167,348)	(822,363)	(242,892)
Cash flows from capital and related financing activities					
Purchase of capital assets	(926,440)	(10,300)	-	(936,740)	(197,494)
Bond and capital lease payments	(200,000)	(7,490)	-	(207,490)	(79,986)
Interest on long-term debt	(292,920)	(43,290)	-	(336,210)	-
Net cash used in capital and related financing activities	(1,419,360)	(61,080)	-	(1,480,440)	(277,480)
Cash flows from investing activities					
Purchases of investments	-	(1,986,967)	-	(1,986,967)	-
Interest received	1,480	96,101	-	97,581	6,423
Net cash provided by (used in) investing activities	1,480	(1,890,866)	-	(1,889,386)	6,423
Net increase (decrease) in cash and cash equivalents	(1,472,902)	(2,846,206)	(7,338)	(4,326,446)	872,717
Cash and cash equivalents, beginning of year	1,896,341	8,345,465	144,800	10,386,606	2,648,548
Cash and cash equivalents, end of year	\$ 423,439	\$ 5,499,259	\$ 137,462	\$ 6,060,160	\$ 3,521,265

Non-cash transaction - An installment lease obligation in the amount of \$15,375 financed a vehicle purchase in 2009.

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Statement of Cash Flows (Concluded)
Proprietary Funds
For the Year Ended December 31, 2009

	Business-type Activities				Governmental Activities- Internal Service Funds
	Medical Care Facility	Delinquent Tax Revolving Fund	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (813,293)	\$ 2,006,198	\$ 185,938	\$ 1,378,843	\$ 305,453
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:					
Depreciation	742,959	14,717	876	758,552	390,604
Changes in assets and liabilities:					
Cash on hand with agent	-	-	-	-	42,565
Accounts receivable	(328,444)	-	(17,303)	(345,747)	23,913
Due from other governments	-	(931,348)	-	(931,348)	16,069
Property taxes receivable	31,508	(573,665)	-	(542,157)	-
Accrued interest receivable	-	120,234	-	120,234	-
Due from other funds	-	(25,229)	-	(25,229)	-
Inventory	-	-	-	-	(786)
Prepaid items	(84,474)	-	-	(84,474)	77,331
Accounts payable	(293,036)	46,078	(9,501)	(256,459)	45,157
Accrued payroll	(242,964)	-	-	(242,964)	(28,284)
Claims payable	-	-	-	-	530,178
Other accrued liabilities	36,555	-	-	36,555	-
Due to other governments	-	10,158	-	10,158	-
Advance from other funds	-	-	-	-	(25,515)
Due to other funds	-	15,352	-	15,352	-
Unearned revenue	(25,573)	-	-	(25,573)	9,981
Net cash provided by (used in) operating activities	\$ (976,762)	\$ 682,495	\$ 160,010	\$ (134,257)	\$ 1,386,666

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2009

	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<u>ASSETS</u>		
Assets		
Cash and cash equivalents	\$ 48,503	\$ 1,867,463
Investments:		
Mutual and cash management funds	398,233	-
Equity securities -		
Open end mutual funds	6,522,300	-
Debt securities:		
Corporate bond mutual funds	1,981,145	-
Bond mutual funds	1,973,886	-
Accounts receivable	-	161,304
Due from other governmental units		143,310
	<u>10,924,067</u>	<u>2,172,077</u>
<u>TOTAL ASSETS</u>		
	<u>10,924,067</u>	<u>\$ 2,172,077</u>
Liabilities		
Accounts payable	-	\$ 502,480
Due to individuals and agencies	-	1,052,600
Due to other governments	-	616,997
	<u>-</u>	<u>616,997</u>
Total liabilities	<u>-</u>	<u>\$ 2,172,077</u>
Net assets held in trust for		
Retirement benefits	10,875,652	
Employee benefits	48,415	
	<u>10,924,067</u>	
Total net assets	<u>\$ 10,924,067</u>	

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Statement of Changes in Plan Net Assets
Pension Trust Funds
For the Year Ended December 31, 2009

Additions:

Investment income:	
Change in fair value of investments	\$ 1,803,388
Interest	217,737
Total investment income	<u>2,021,125</u>
Contributions:	
Employer	835,013
Plan members	1,343,388
Total contributions	<u>2,178,401</u>
Total additions	<u>4,199,526</u>

Deductions:

Pension benefits paid to participants	447,296
Actuarial fees	11,657
Refunds	66,591
Employee reimbursements	<u>201,471</u>
Total deductions	<u>727,015</u>
Net increase	3,472,511

Net assets held in trust for pension and employee benefits

Beginning of year	<u>7,451,556</u>
End of year	<u><u>\$ 10,924,067</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Net Assets
Component Units
December 31, 2009

	Water Resources Commission	Road Commission	Board of Public Works	Land Bank Authority	Total
Assets					
Cash and cash equivalents	\$ 249,577	\$ 26,170	\$ 55,451	\$ 209,031	\$ 540,229
Receivables, net	1,251,613	2,025,550	7,909,873	-	11,187,036
Property inventory	-	-	-	125,100	125,100
Prepaid items and other assets	-	640,380	-	-	640,380
Capital assets not being depreciated	-	25,318,182	-	-	25,318,182
Capital assets being depreciated, net	4,173,966	19,346,717	-	-	23,520,683
Total assets	5,675,156	47,356,999	7,965,324	334,131	61,331,610
Liabilities					
Accounts payable and accrued liabilities	295,470	754,220	560,401	3,014	1,613,105
Advances from primary government	76,600	-	-	25,229	101,829
Unearned revenue	5,510	-	-	-	5,510
Net other postemployment benefit liability	-	150,132	-	-	150,132
Long-term liabilities:					
Due within one year	457,587	386,251	795,000	-	1,638,838
Due in more than one year	1,412,831	1,198,011	6,930,000	-	9,540,842
Total liabilities	2,247,998	2,488,614	8,285,401	28,243	13,050,256
Net assets (deficit)					
Invested in capital assets, net of related debt	2,303,548	43,193,756	-	-	45,497,304
Unrestricted (deficit)	1,123,610	1,674,629	(320,077)	305,888	2,784,050
Total net assets (deficit)	\$ 3,427,158	\$ 44,868,385	\$ (320,077)	\$ 305,888	\$ 48,281,354

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2009

	Water Resources Commission	Road Commission	Board of Public Works	Land Bank Authority	Total
Expenses					
County Drains	\$ 298,107	\$ -	\$ -	\$ -	\$ 298,107
County Roads	-	9,887,644	-	-	9,887,644
Public Works	-	-	787,182	-	787,182
Land Bank	-	-	-	6,135	6,135
Total expenses	298,107	9,887,644	787,182	6,135	10,979,068
Program revenues					
Charges for services	-	1,804,506	21,811	38,132	1,864,449
Operating grants and contributions	16,329	7,943,884	892,919	-	8,853,132
Capital grants and contributions	488,374	2,127,341	-	-	2,615,715
Total program revenues	504,703	11,875,731	914,730	38,132	13,333,296
Net revenue	206,596	1,988,087	127,548	31,997	2,354,228
General revenues					
Unrestricted investment earnings	-	1,400	70	285	1,755
Gain on sale of capital assets	-	-	-	47,329	47,329
Total general revenues	-	1,400	70	47,614	49,084
Change in net assets	206,596	1,989,487	127,618	79,611	2,403,312
Net assets (deficit), beginning of year	3,220,562	42,878,898	(447,695)	226,277	45,878,042
Net assets (deficit), end of year	\$ 3,427,158	\$ 44,868,385	\$ (320,077)	\$ 305,888	\$ 48,281,354

The accompanying notes are an integral part of these financial statements.

COUNTY OF CALHOUN, MICHIGAN

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Notes to the Financial Statements

For the Year Ended December 31, 2009

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COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Calhoun, Michigan (the “County” or “government”) was incorporated in 1829 and covers an area of approximately 710 square miles in southern lower Michigan. The County operates under a 7-member elected Board of Commissioners and an appointed County Administrator/Controller. The County seat is located in the City of Marshall.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

A. Reporting entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Blended Component Unit

Calhoun County Building Authority - The Building Authority is governed by a three-member board appointed by the Calhoun County Board of Commissioners. Its sole function is to oversee the financing and construction, if any, of the County’s public buildings; therefore, it is reported as if it were part of the primary government. It has been reported as a debt service fund.

Discretely Presented Component Units

Calhoun County Water Resources Commission (the “Water Resources Commission”) - All drainage districts established pursuant to the Michigan Drain Code of 1956, as amended, are separate legal entities with the power to contract, to sue and be sued, and to hold, manage and dispose of real and personal property. The statutory governing board of Chapter 20 drainage districts consists of the Water Resources Commissioner, the Chair of the County Board of Commissioners and one other member of the County Board of Commissioners.

The County Water Resources Commission has sole responsibility to administer Chapter 3 and 4 drainage districts. A drainage board or water resources commissioner, on behalf of the drainage district, may issue debt and levy special assessments without the prior approval of the County. The full faith and credit of the County may be given for the debt of a drainage district, which results in potential financial burden to the County.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Also, pursuant to the Inland Lake Level Act of 1961, after the Circuit Court of the County establishes a lake level, the Water Resources Commissioner has the responsibility to maintain that level with control structures and/or pumps. The Water Resources Commissioner may issue debt and levy special assessments to defray the expenses required to maintain the Court ordered lake levels.

Calhoun County Road Commission (the “Road Commission”) - The Road Commission, established pursuant to State statute, is governed by a five-member board appointed by the County. Its receipts are deposited with the County Treasurer, who invests certain of those deposits. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. If approval is granted, such taxes would be levied under the taxing authority of the County and included as part of the County’s total tax levy as well as reported by the Road Commission.

Calhoun County Board of Public Works (the “BPW”) - The BPW is governed by a three-member board appointed by the County. It is responsible for administering various public works construction projects and the associated debt service funds under the provisions of Act 195, Public Acts of 1957, as amended, as well as an internal service (i.e., “revolving”) fund. All of the BPW’s contractual agreements, including construction project bond issuances, require County approval.

Calhoun County Land Bank Authority (the “Land Bank Authority”) - The Land Bank Authority is a public corporation, organized pursuant to Michigan Land Bank Fast Track Public Act 258 and an Intergovernmental Agreement entered into between the Michigan Land Bank Fast Track Authority and the Calhoun County Treasurer. The Land Bank Authority is governed by a seven-member board including the Calhoun County Treasurer, who is, by law, its Chairperson, and six other members appointed by the County Board of Commissioners. The Land Bank Authority was created to acquire, hold, manage and develop tax-foreclosed properties, as well as other vacant and abandoned properties. The County Board of Commissioners can significantly influence the operations of the Land Bank Authority.

Complete financial statements for each of the following discretely presented component units may be obtained at the entity’s administrative offices.

Calhoun County Road Commission

13300 Fifteen Mile Road
Marshall, Michigan 49068

Calhoun County Board of Public Works

13300 Fifteen Mile Road
Marshall, Michigan 49068

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Calhoun County Land Bank Authority

315 W. Green Street

Marshall, Michigan 49068

A separate, stand-alone report is not issued for the Calhoun County Drain Commission.

Funds With Other Year Ends – The financial statements of the Health Department special revenue fund are presented in the accompanying financial statements using its fiscal year end of September 30, 2009.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement based grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, State revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *health department fund* accounts for the activities of delivering health services to residents.

The *senior millage special revenue fund* accounts for the activities of providing senior citizen services where financing is provided by a County tax levy.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The *child care special revenue fund* accounts for the in-home-care programs and out-of-home child care of children where the financing is provided by state grants and County appropriations.

The County reports the following major proprietary funds:

The *Medical Care Facility fund* is used to account for the operation of the Calhoun County Medical Care Facility. Financing is provided through charges for services, Medicare and Medicaid reimbursements, and general fund appropriations.

The *delinquent tax revolving fund* accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County, and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

Additionally, the County reports the following fund types:

Special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

Debt service funds account for the servicing of long-term debt not being financed by proprietary funds.

Permanent funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's cemetery.

Enterprise funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The *internal service funds* account for operations that provide services (such as building and grounds care, administrative services, insurance, and employee benefits) to other departments or agencies of the County on a cost-reimbursement basis.

The *pension trust funds* are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The pension trust funds account for the assets of the County's defined benefit pension plan and the Flexible Benefit Plan.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, liabilities and equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is determined as follows: a) short-term investments are reported at cost, which approximates fair value; b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; c) investments that do not have established market values are reported at estimated fair value; and d) cash deposits are reported at carrying amount, which reasonably approximates fair value.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances, and mutual funds composed of otherwise legal investments.

2. *Receivables and payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds or component units are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

3. *Inventories and prepaid items*

All inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

In the case of the initial capitalization of general infrastructure assets (i.e. – those reported in the Water Resources Commission and Road Commission component units), the component units each chose to include all items retroactively to 1980.

Capital assets of the primary government and Water Resources Commission component unit are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Drain and lake level infrastructure	50
Vehicles	3-20
Equipment	5-10

Capital assets in the Road Commission discretely presented component unit are depreciated as follows:

<u>Assets</u>	<u>Methods</u>	<u>Useful Lives- Years</u>
Buildings and improvements	Straight-line	40
Road equipment	Sum of years-digits	5-8
Other equipment	Straight-line	5-8
Infrastructure	Straight-line	8-50

5. *Compensated absences*

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave as it does not vest. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

6. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. *Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, governmental activities report net assets restricted for programs, which represent amounts restricted by federal and state mandates.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end. Prior to December 31, the proposed budget is presented to the County Board of Commissioners for review, public hearings and eventual adoption through passage of an annual budget ordinance.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The appropriated budget is prepared by fund, function and activity for the General Fund and by fund and function for the special revenue funds. The government's administrator may make transfers of appropriations less than or equal to \$20,000 between General Fund activities and between special revenue fund functions. Transfers of appropriations between General Fund activities or special revenue fund functions greater than \$20,000 require the approval of the Board of Commissioners. The legal level of budgetary control is the activity level for the General Fund and the function level for the special revenue funds. The Board of Commissioners made several supplemental budgetary appropriations during the year which were not considered material.

B. Excess of expenditures over appropriations

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended December 31, 2009, the following activities of the General Fund had expenditures in excess of appropriations as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund			
General government -			
Elections	\$ 117,330	\$ 125,490	\$ 8,160
Treasurer	526,200	527,750	1,550
Public safety:			
Marine safety	64,186	74,261	10,075
Animal control	133,407	134,849	1,442
Huron-Potawatomi	-	70	70
Health and welfare -			
Medical examiner	182,700	224,535	41,835
Other -			
Intergovernmental services	2,119,612	2,400,349	280,737
Accommodations Tax -			
Recreation and cultural	810,000	811,975	1,975
Emergency 911 -			
Public safety	716,365	960,447	244,082
Law Library -			
Judicial	34,280	35,984	1,704
Federal and State Grant -			
Public safety	-	476	476

These over expenditures were covered by available fund balance.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Following is a reconciliation of deposit and investments balances (including both pooled cash and investments) as of December 31, 2009:

Statement of Net Assets:

Primary government:	
Cash and cash equivalents	\$ 17,291,841
Investments	3,540,218
Component units:	
Cash and cash equivalents	540,229

Statement of Fiduciary Net Assets

Pension trust funds:	
Cash and cash equivalents	48,503
Investments	10,875,564
Agency fund:	
Cash and cash equivalents	<u>1,867,463</u>

Total **\$ 34,163,818**

Deposits and investments:

Bank deposits	\$ 21,232,581
Investments	2,044,427
Investments – pension trust funds	10,875,564
Cash on hand	<u>11,246</u>

Total **\$ 34,163,818**

The County chooses to disclose its investments by specifically identifying each. As of year end, the County had the following investments.

	Carrying Amount (Fair Value)	Credit Rating
Investment:		
Commercial paper - Prudential	\$ 2,002,453	A1 (S&P)
Governmental money market:		
Bank of America	24,031	AAAm (S&P)
Comerica Bank	<u>17,943</u>	Not rated
	<u>\$ 2,044,427</u>	

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County's investment policy limits investment maturities of commercial paper to 270 days as a means of managing its exposure to fair value losses arising from increasing interest rates. The County's investment in commercial paper adheres to the 270-day maturity requirement.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, have been identified above for the County's investments.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. At year end, the carrying amount of the County's deposits was \$21,232,581. As of year end, \$20,357,179 of the combined bank balance of \$21,629,845 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The County's investment policy does not specifically address this risk, although the County believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution with which it deposits County funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the County does not have a policy for investment custodial credit risk. On the investments listed above, there is no custodial credit risk. Short-term investments in money market funds and open end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on concentration of credit risk. All investments held at year end are reported above.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

B. Investments – Pension Trust Fund

The investments of the County's pension trust fund are maintained separately from the County's investments, and are subject to separate investment policies and state statutes. Accordingly, the required disclosures for the pension investments are presented separately.

The Public Employee Retirement System Investment Act, State of Michigan Public Act 314 of 1965, as amended, authorizes the pension trust fund to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Plan's investment policy authorizes the pension trust fund to invest in time, savings and money market deposit accounts, certain government and debt securities, commercial paper, and certain debt and equity mutual funds. The retirement board has the responsibility and authority to oversee the investment portfolio. All investment decisions are subject to Michigan law and the investment policy established by the retirement board.

The investments of the pension trust fund are held in a bank-administered trust fund. Following is a summary of the pension investments as of December 31, 2009:

**Investments at fair value, as determined by
quoted market price:**

Equity securities:

Open end mutual funds	\$ 6,522,300
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Debt securities:

Corporate bond mutual funds	1,981,145
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Bond mutual funds	1,973,886
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Money market funds	<u>398,233</u>
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Total	<u>\$ 10,875,564</u>
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Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan's investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Plan's investment policy provides that investments in commercial paper be rated P1 by Moody's or A1 by Standard & Poor's and corporate debt issues (bonds, notes, debentures) be rated in the highest two categories by either Moody's Standard & Poor's, or Fitch's Manual. None of the County's pension investments were rated.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan's investment policy does not specifically address custodial credit risk. Although uninsured and unregistered, the Plan's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the Plan's name. Short-term investments in money market funds and open end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investment policy does not specifically limit the amount of the Plan's investments in a single issuer.

As of December 31, 2009, the Plan's investment portfolio was concentrated as follows:

<u>Issuer</u>	<u>% of Portfolio</u>
Equity securities:	
Evergreen Intrinsic Value	5.91%
Goldman Sachs Structured International Equity Fund	6.19%
JP Morgan Small Cap Equity Fund	6.57%
MFS Value Fund	11.76%
Wells Fargo Advantage Equity Value Fund	5.85%
Debt securities:	
Federated Bond	11.33%
Metropolitan West FDS	7.58%
Wells Fargo Advantage	18.84%

C. Receivables

Receivables in the primary government are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Taxes	\$ 5,499,131	\$ 9,201,352
Accounts	830,881	1,974,238
Due from other governments	3,298,533	570,483
Advance to component unit	76,600	25,229
Accrued interest	<u>437</u>	<u>2,113,072</u>
	<u>\$ 9,705,582</u>	<u>\$ 13,884,374</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (current)	\$ 1,546,075	\$ 2,772,949
Property taxes receivable (delinquent)	338,002	-
Grant drawdowns prior to meeting all eligibility requirements and fees received in advance of being earned	-	212,187
	<u>\$ 1,884,077</u>	<u>\$ 2,985,136</u>

D. Capital assets

Capital assets activity for the year ended December 31, 2009 was as follows:

Primary government

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated -				
Land	\$ 1,266,264	\$ -	\$ -	\$ 1,266,264
Capital assets being depreciated:				
Buildings and improvements	48,833,817	169,705	-	49,003,522
Equipment and furniture	15,555,289	322,174	-	15,877,463
Vehicles	1,950,049	125,010	210,809	1,864,250
Total capital assets being depreciated	66,339,155	616,889	210,809	66,745,235
Less accumulated depreciation for:				
Buildings and improvements	19,343,474	1,074,431	-	20,417,905
Equipment and furniture	13,702,353	639,877	-	14,342,230
Vehicles	1,619,410	143,741	179,685	1,583,466
Total accumulated depreciation	34,665,237	1,858,049	179,685	36,343,601
Total capital assets being depreciated, net	31,673,918	(1,241,160)	31,124	30,401,634
Governmental activities capital assets, net	<u>\$ 32,940,182</u>	<u>\$ (1,241,160)</u>	<u>\$ 31,124</u>	<u>\$ 31,667,898</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

	Beginning Balance	Increases	Decreased	Ending Balance
Business-type activities				
Capital assets not being depreciated - Construction in process	\$ 545,617	\$ 855,438	\$ 1,401,055	\$ -
Capital assets being depreciated:				
Land improvements	263,146	5,354	17,239	251,261
Buildings and improvements	21,592,265	1,367,346	1,414,532	21,545,079
Equipment and furniture	2,965,157	99,357	180,876	2,883,638
Total capital assets being depreciated	24,820,568	1,472,057	1,612,647	24,679,978
Less accumulated depreciation for:				
Land improvements	105,204	10,512	21,058	94,658
Buildings and improvements	5,304,464	529,944	1,061,571	4,772,837
Equipment and furniture	2,189,665	218,096	405,649	2,002,112
Total accumulated depreciation	7,599,333	758,552	1,488,278	6,869,607
Total capital assets being depreciated, net	<u>\$ 17,221,235</u>	<u>\$ 713,505</u>	<u>\$ 124,369</u>	<u>\$ 17,810,371</u>

Component Unit – Water Resources Commission

	Beginning Balance	Increases	Decreased	Ending Balance
Governmental activities				
Capital assets being depreciated - Infrastructure	\$ 4,382,570	\$ 701,788	\$ -	\$ 5,084,358
Less accumulated depreciation	822,741	87,651	-	910,392
Governmental activities capital assets, net	<u>\$ 3,559,829</u>	<u>\$ 614,137</u>	<u>\$ -</u>	<u>\$ 4,173,966</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Component Unit – Road Commission

	Beginning Balance	Increases	Decreased	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 284,292	\$ -	\$ -	\$ 284,292
Land improvements - infrastructure	24,176,194	857,696	-	25,033,890
Total capital assets not being depreciated	24,460,486	857,696	-	25,318,182
Capital assets being depreciated:				
Land improvements	72,387	-	-	72,387
Buildings and improvements	1,743,975	2,286	-	1,746,261
Road equipment	9,115,864	42,083	4,000	9,153,947
Shop equipment	280,313	-	-	280,313
Office equipment	523,369	1,949	-	525,318
Engineers' equipment	76,115	-	-	76,115
Yard and storage	827,292	-	-	827,292
Depletable assets	147,667	-	-	147,667
Infrastructure - roads and signals	34,430,877	1,452,893	-	35,883,770
Infrastructure - bridges	8,177,996	58,737	-	8,236,733
Total capital assets being depreciated	55,395,855	1,557,948	4,000	56,949,803
Less accumulated depreciation for:				
Buildings and improvements	1,603,606	26,023	-	1,629,629
Equipment	9,720,226	220,640	800	9,940,066
Depletable assets	112,544	-	-	112,544
Infrastructure - roads and signals	21,073,444	1,456,031	-	22,529,475
Infrastructure - bridges	3,133,840	257,532	-	3,391,372
Total accumulated depreciation	35,643,660	1,960,226	800	37,603,086
Total capital assets being depreciated, net	19,752,195	(402,278)	3,200	19,346,717
Governmental activities capital assets, net	\$ 44,212,681	\$ 455,418	\$ 3,200	\$ 44,664,899

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Legislative	\$ 3,267
Judicial	282,958
General government	64,230
Public safety	898,161
Health and welfare	162,599
Recreation and cultural	56,230
Capital assets held by the government's internal service funds are charged to the various functions based on usage of the assets	<u>390,604</u>

Total depreciation expense - governmental activities

\$ 1,858,049

Business-type activities:

Medical Care Facility	\$ 742,959
Delinquent Tax Collection	14,717
Property Description	<u>876</u>

Total depreciation expense - business-type activities

\$ 758,552

Depreciation expense was charged to the Public Works function in the year 2009 for the Water Resources Commission and Road Commission component units.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

E. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities in the primary government are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Accounts payable	\$ 1,588,901	\$ 571,129
Accrued payroll	1,165,448	254,063
Other accrued liabilities	-	535,493
Claims incurred but not reported	1,166,926	-
Due to other governments	416,991	115,679
Accrued interest on long-term debt	56,913	-
Total	<u><u>\$ 4,395,179</u></u>	<u><u>\$ 1,476,364</u></u>

F. Interfund receivables, payables and transfers

The Delinquent Tax Revolving Enterprise fund has made long-term advances to the Building and Grounds Internal Service fund in the amount of \$218,131

In addition, nonmajor governmental funds with negative balances in the County's pooled cash accounts of \$571,937 reported interfund payables, which are equal to the interfund receivable of \$571,937 reported in the Revenue Sharing Reserve Special Revenue Fund.

Interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. At December 31, 2009, due to/due from other funds consisted of the following:

	<u>Receivable</u>	<u>Payable</u>
Due from/to other funds:		
General Fund	\$ 19,348	\$ -
Nonmajor Governmental Funds	2,291	5,921
Delinquent Tax Revolving	-	15,718
	<u><u>\$ 21,639</u></u>	<u><u>\$ 21,639</u></u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

For the year ended December 31, 2009, interfund transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 4,987,276	\$ 6,043,194
Health Department	843,800	-
Senior Millage	5,588	-
Child Care	2,338,644	-
Nonmajor Governmental Funds	2,968,983	3,143,572
Internal Service Funds	55,000	297,892
Medical Care Facility	1,945	-
Delinquent Tax Revolving Fund	-	1,552,270
Nonmajor Enterprise Fund	-	167,348
	<u>11,201,236</u>	<u>11,204,276</u>
Adjustments for different fiscal year end:		
Health Department FYE 9/30/2009	<u>3,040</u>	<u>-</u>
Total	<u>\$ 11,204,276</u>	<u>\$ 11,204,276</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

G. Capital leases

The government has entered into nine lease agreements for financing the acquisition of phone equipment, computer equipment, and vehicles. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital asset:		
Equipment and furniture	\$ 423,840	\$ -
Vehicles	161,439	22,504
Less accumulated depreciation for:		
Equipment and furniture	(281,383)	-
Vehicles	<u>(107,090)</u>	<u>(4,004)</u>
Total	<u>\$ 196,806</u>	<u>\$ 18,500</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2009, were as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>
2010	\$ 95,640
2010	57,306
2011	13,080
2012	<u>3,713</u>
Total minimum lease payments	169,739
Less: amount representing interest	<u>(7,530)</u>
Present value of minimum lease payments	<u>\$ 162,209</u>

H. Long-term debt

Primary government

Governmental activities

General obligation bond. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Installments</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental activities: County Building Authority – refunding bonds of \$6,855,000	\$375,000 to 580,000	3.00 to 4.125%	<u>\$ 6,515,000</u>

Annual debt service requirements to maturity for governmental activities general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2010	\$ 375,000	\$ 220,150	\$ 595,150
2011	390,000	206,800	596,800
2012	400,000	194,950	594,950
2013	410,000	182,800	592,800
2014	425,000	170,275	595,275
2015-2019	2,330,000	637,270	2,967,270
2020-2023	2,185,000	180,992	2,365,992
	<u>\$ 6,515,000</u>	<u>\$ 1,793,237</u>	<u>\$ 8,308,237</u>

Business-type activities

Delinquent tax notes. The government issues delinquent tax notes to finance the purchase of delinquent real property taxes receivable from each taxing district in the County. These notes are reported in the proprietary funds (i.e., Delinquent Tax Revolving Enterprise Fund) as they are expected to be repaid from proprietary fund revenues. Each series of delinquent tax notes are subject to variable interest rates which are determined on a weekly basis by the County's remarketing agent using established criteria and legal limitations. Principal and interest payments are predicated upon actual collections of delinquent property taxes, which are subject to collection over a period not to exceed three years. Delinquent tax notes outstanding at December 31, 2009, are as follows:

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

<u>Series</u>	<u>Amount</u>
2009 - \$4,600,000 G.O. Limited Tax Notes payable, dated May 4, 2009, due 2/15/10	<u>\$ 200,000</u>

General obligation bonds. The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Installments</u>	<u>Interest Rates</u>	<u>Amount</u>
Business-type activities: County Building Authority – \$8,000,000 issue for Medical Care Facility improvements	\$250,000 to 700,000	3.70 to 4.00%	<u>\$ 7,600,000</u>

Annual debt service requirements to maturity for business type activities general obligation bonds are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 250,000	\$ 293,975	\$ 543,975
2011	250,000	283,975	533,975
2012	300,000	272,975	572,975
2013	300,000	260,975	560,975
2014	350,000	247,975	597,975
2015-2019	2,050,000	1,015,013	3,065,013
2020-2024	2,750,000	554,500	3,304,500
2025-2026	1,350,000	55,000	1,405,000
	<u>\$ 7,600,000</u>	<u>\$ 2,984,388</u>	<u>\$ 10,584,388</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Water Resources Commission component unit

Notes payable. The Water Resources Commission issues notes payable for the construction or major maintenance of drainage and lake level districts. Such notes are repaid from special assessments to local property owners.

	<u>Due</u>	<u>Installments</u>	<u>Interest Rate</u>	<u>Amount</u>
Various drain and lake level notes payable	2010-2017	\$102,356 to \$451,087	Various	<u>\$ 1,870,418</u>

Annual debt service requirements to maturity for drain notes are as follows:

<u>Year Ending</u> <u>December</u> <u>31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 457,587	\$ 79,097	\$ 536,684
2011	499,244	136,168	635,412
2012	268,077	72,209	340,287
2013	152,777	31,788	184,565
2014	152,328	22,313	174,641
2015-2017	<u>340,404</u>	<u>30,681</u>	<u>371,086</u>
	<u>\$ 1,870,418</u>	<u>\$ 372,257</u>	<u>\$ 2,242,675</u>

Road Commission component unit

Michigan Department of Transportation bonds. The Road Commission borrows from the Michigan Transportation Bond Fund to finance various capital projects.

	<u>Due</u>	<u>Interest Rate</u>	<u>Amount</u>
Michigan Transportation Fund Bonds:			
2002 A and B Series	2012	3.15% to 4.40%	\$ 415,000
2003 Series	2013	3.25% to 4.00%	415,000
2005 Series	2015	3.00% to 4.05%	<u>435,000</u>
Total			<u>\$ 1,265,000</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Contracts payable. The Road Commission has one contract payable for sewer construction costs. This contract is repayable at 3% interest rate through 2012, and amounted to \$6,850 at December 31, 2009.

Installment purchase agreement. The Road Commission entered into an installment purchase agreement in 2008, which was secured by the related durapatcher equipment, and calls for quarterly installments of \$19,028 through July 2012, which includes interest at 4.9%. The balance of the loan at December 31, 2009 is \$194,789.

Annual debt service requirements to maturity for Michigan Department of Transportation bonds and contracts payable are as follows:

Year ending December 31,	Bonds		Contracts		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 290,000	\$ 46,903	\$ 71,251	\$ 225	\$ 361,251	\$ 47,128
2011	305,000	35,691	74,667	140	379,667	35,831
2012	315,000	23,484	55,721	1,362	370,721	24,846
2013	190,000	10,424	-	-	190,000	10,424
2014	80,000	6,763	-	-	80,000	6,763
2015	85,000	1,721	-	-	85,000	1,721
	\$ 1,265,000	\$ 124,986	\$ 201,639	\$ 1,727	\$ 1,466,639	\$ 126,713

Board of Public Works Component Unit

The Board of Public Works (BPW) works through the County and issues general obligation bonds to finance water and sewer infrastructure projects, which are administered by BPW. These bonds are direct obligations and pledge the full faith and credit of the County and the benefiting municipalities.

Annual debt service requirements to maturity for BPW bonds are as follows:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2010	\$ 795,000	\$ 329,465
2011	625,000	302,274
2012	555,000	279,623
2013	535,000	257,586
2014	540,000	300,185
2015-2019	2,850,000	974,582
2020-2024	900,000	331,605
2025-2029	550,000	175,215
2030-2032	375,000	29,250
	\$ 7,725,000	\$ 2,979,785

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Changes in long-term debt.

Long-term debt liability activity for the year ended December 31, 2009, was as follows:

	Balance January 1, 2009	Additions	Deletions	Balance December 31, 2009	Due in One Year
<u>Governmental activities</u>					
General obligation bonds	\$ 6,855,000	\$ -	\$ 340,000	\$ 6,515,000	\$ 375,000
Unamortized bond discount	(73,282)	-	(7,328)	(65,954)	(7,328)
Unamortized gain on bond refunding	13,275	-	1,328	11,947	1,328
Lease purchase agreements	240,666	15,375	93,832	162,209	90,155
Compensated absences	1,551,077	2,925,667	2,867,910	1,608,834	516,173
	\$ 8,586,736	\$ 2,941,042	\$ 3,295,742	\$ 8,232,036	\$ 975,328
<u>Business-type activities</u>					
General obligation limited tax notes payable					
Series 2008	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -
Series 2009	-	4,600,000	4,400,000	200,000	200,000
General obligation bonds	7,800,000	-	200,000	7,600,000	250,000
Lease purchase agreements	7,490	-	7,490	-	-
	\$ 8,057,490	\$ 4,600,000	\$ 4,857,490	\$ 7,800,000	\$ 450,000
<u>Water Resources Commission component unit</u>					
Drain notes payable	\$ 1,375,834	\$ 716,500	\$ 447,416	\$ 1,644,918	\$ 451,087
Lake level notes payable	260,500	-	35,000	225,500	6,500
	\$ 1,636,334	\$ 716,500	\$ 482,416	\$ 1,870,418	\$ 457,587
<u>Road Commission component unit</u>					
Michigan Transportation fund bonds	\$ 1,545,000	\$ -	\$ 280,000	\$ 1,265,000	\$ 290,000
Contracts payable	10,681	-	3,831	6,850	3,400
Installment purchase agreement	259,435	-	64,646	194,789	67,851
Compensated absences	113,119	4,504	-	117,623	25,000
	\$ 1,928,235	\$ 4,504	\$ 348,477	\$ 1,584,262	\$ 386,251
<u>Board of Public Works component unit</u>					
Bonds payable	\$ 11,380,000	\$ -	\$ 3,655,000	\$ 7,725,000	\$ 795,000

For the governmental activities, compensated absences are generally liquidated by the general fund.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

IV. OTHER INFORMATION

A. Risk management / self-insurance programs

The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools and commercial insurance and excess coverage policies. On risks that are commercially insured, settlements have not exceeded insurance coverage in any of the past three years. Following is a summary of the self-insurance programs and risk management pool participation.

Liability. The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter.

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (i.e., the Insurance fund) using premiums paid into it by the general fund of the government. Such contributions as received by MMRMA are allocated between the general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members self-insured retention limits along with certain other member-specific costs.

Under most circumstances, the County's maximum loss retention per occurrence was as follows:

<u>Type of Risk</u>	<u>Maximum Retention Per Occurrence</u>
General liability	\$200,000
Motor vehicle physical damage	\$16,000 per vehicle \$31,000 per occurrence
Property damage	\$11,000

The County had estimated claims payable of \$587,673 at December 31, 2009. At December 31, 2009, the balance of the County's member retention fund was \$91,724.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Changes in the balances of the County's estimated claims payable during the past two years are as follows:

	<u>2009</u>	<u>2008</u>
Unpaid claims, beginning of year	\$ 363,840	\$ 121,250
Incurred claims (including IBNR's)	871,715	861,277
Claim payments	<u>(647,882)</u>	<u>(618,687)</u>
Unpaid claims, end of year	<u>\$ 587,673</u>	<u>\$ 363,840</u>

Employee Benefits. The government maintains a self-insurance program for employee health care coverage which is accounted for in an internal service fund (i.e., the Employee Benefits fund). The program is administered by a third party administrator who provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on actuarial and management estimates. These premiums are available to pay health care claims, claim reserves, excess coverage and administrative costs as well as to purchase dental, life, and long-term disability insurance coverage from commercial carriers and to reimburse the State for unemployment benefits paid.

Health care liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers annual individual claims in excess of \$150,000. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

Changes in the balances of health care claims liabilities during the past two years are as follows:

	<u>2009</u>	<u>2008</u>
Unpaid claims, beginning of year	\$ (216,989)	\$ 508,284
Incurred claims (including IBNR's)	6,248,759	5,749,107
Claim payments	<u>(5,670,284)</u>	<u>(6,474,380)</u>
(Prepaid) unpaid claims, end of year	<u>\$ 361,486</u>	<u>\$ (216,989)</u>

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Workers' Compensation. The government maintains a self-insurance program for workers' compensation coverage which is accounted for in an internal service fund (i.e., the Workers' Compensation fund). The program is administered by a third party administrator who conducts safety inspections and provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on payrolls and job classifications and are available to pay claims, claim reserves, excess coverage and administrative costs.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$350,000 subject to an annual aggregate limit of \$1 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Changes in the balances of claims liabilities during the past two years are as follows:

	<u>2009</u>	<u>2008</u>
Unpaid claims, beginning of year	\$ 272,908	\$ 311,391
Incurred claims (including IBNR's)	177,535	314,009
Claim payments	<u>(232,676)</u>	<u>(352,492)</u>
Unpaid claims, end of year	<u>\$ 217,767</u>	<u>\$ 272,908</u>

Road Commission

The Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool ("Pool") established pursuant to the laws of the State of Michigan which authorizes contracts between municipal corporations (interlocal agreements) to form group self-insurance pools, and to prescribe conditions to the performance of these contracts.

The Michigan County Road Commission Self-Insurance Pool was established for the purpose of making a self-insurance pooling program available for Michigan County Road Commissions, which includes, but is not limited to, general liability coverages, auto liability coverages, property insurance coverages, stop loss insurance protection, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982.

The Calhoun County Road Commission pays an annual premium to the Pool for property (buildings and grounds) coverage, automobile liability, errors or omissions liability and bodily injury, property damage and personal injury liability. The agreement for the formation of the Pool provides that the Pool will be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance to the limits determined necessary by the Pool Board.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The Road Commission is also self-insured for workers' compensation as a member of the County Road Association Worker's Compensation Fund.

In the past three years, there have been no reductions in coverages, nor have settlements exceeded coverages. Management of the Road Commission believes that losses, if any, in excess of Insurance Pool coverages would not be material to the financial position of the Road Commission.

The Road Commission continues to carry commercial insurance for employee health and accident insurance.

B. Property taxes

Prior to 2005, the County property taxes were levied annually on December 1 (the lien date) to fund operations of the following year. The property taxes were due in full within 90 days (prior to March 1), at which time uncollected taxes became delinquent.

In 2004, the State of Michigan passed Public Act 357. This Act provides a temporary funding mechanism as a substitute for state revenue sharing payments to counties. As a result of this new law, the County's levy date began a phased shifting (or acceleration) over a 3-year period from December 1 to July 1 of each year. In 2005, one-third of the tax levy took place on July 1 and two-thirds took place on December 1. In 2006, two-thirds of the tax levy took place on July 1 and one-third took place on December 1. In 2007 and each year thereafter, one-hundred percent of the tax levy will take place on July 1. The Act also required that an amount equal to one-third of the December 2004 tax levy be placed each year for three years into the newly created Revenue Sharing Reserve Fund, a special revenue fund. An annual transfer, in an amount determined by the State of Michigan, is made from the Revenue Sharing Reserve Fund into the General Fund equal to the amount of revenue sharing the County used to receive from the State, adjusted for inflation.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold.

The assessed and taxable value of real and personal property for the 2009 levy was \$3,818,697,435. The general operating tax rate for this levy was 5.3779 mills with an additional 0.7452 mills and 0.2482 mills assessed for Senior Services and Medical Care Facility operations, respectively.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

C. Employee retirement systems and pension plans

Defined Contribution Pension Plan - Primary Government

Substantially all of the government's full-time employees are eligible to participate in one of two defined contribution pension plans, as established by Board policy and labor agreements. Required government contributions to the pension plans are at various rates based on Board policy and labor agreements with the various bargaining units. The Calhoun County Board of Commissioners established both plans and may amend them and the related contribution requirements, subject to the County's various collective bargaining agreements. The plans are administered and the assets are in the custody of third-party insurance companies.

The government's contributions for each employee, and interest allocated to an employee's account, are fully vested after five years of service, except for Sheriff Department employees who are fully vested after ten years. Employee contributions are fully vested at the time of contribution. Employer contributions and allocated interest for employees who leave employment before full vesting are used to reduce the employer current-period contribution requirement. All required employer contributions were made as disclosed below:

	<u>General County Merrill Lynch</u>	<u>Medical Care Facility Kemper/Pert</u>	<u>Total</u>
Required and actual employer contributions	\$ 278,610	\$ 168,478	\$ 447,088
Required and actual employee contributions	618,756	211,892	830,648

Defined Benefit Pension Plans – Primary Government

Calhoun County Defined Benefit Plan

Plan Description. Substantially all of the government's full-time employees, other than Sheriff Supervisory and Non-Supervisory Unions, are eligible to participate in a defined benefit plan, as established by the Board during 2001. The Calhoun County Defined Benefit Plan provides retirement and death benefits to plan members and beneficiaries. The plan is administered by the County and is a single-employer plan. The plan financial statements are part of this report. A separate, stand-alone report is not issued.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Basis of Accounting. The Plan's financial statements are prepared on the accrual basis of accounting. Member contributions are recognized in the period in which they are due. The County's contributions are recognized when due and the employer has made a formal commitment to provide them. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments. The Plan's investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Board of Commissioners, with the assistance of a valuation service.

Funding Policy. The County is required to contribute at an actuarially determined rate; the current rate for the County is 7.00% of annual covered payroll. All participating employees are required to contribute 9.07% of their annual salary. Administrative costs of the plan are financed through investment earnings. The benefit provisions and contribution requirements of the County and of plan members are established by and may be amended by the Board of Commissioners.

For the year ended December 31, 2009, the annual pension cost of \$835,013 was equal to the required and actual contributions of the County. The required contributions were determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5%, (b) projected salary increase of 4.0% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 2.5% for employees with less than 10 years of service and 1.5% for employees with 10 or more years of service, attributable to seniority/merit. The actuarial value of plan assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2008.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2008, the date of the most recent valuation, is as follows:

Actuarial Accrued Liability (AAL)	\$ 20,809,808
Actuarial Value of Assets	<u>8,894,590</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 11,915,218</u>
Funded ratio	42.7%
Covered payroll (active plan members)	\$ 10,769,141
UAAL as a percentage of covered payroll	110.6%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Membership of the plan consisted of the following at December 31, 2008, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	38
Terminated plan members entitled to but not yet receiving benefits	20
Active plan members	<u>264</u>
Total	<u>322</u>

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/07	\$ 751,800	\$ 751,800	100%	\$ -
12/31/08	762,920	762,920	100	-
12/31/09	835,013	835,013	100	-

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Municipal Employees Retirement System of Michigan

Plan Description. Both the Sheriff Supervisory and Non-Supervisory Unions are eligible to participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer, defined benefit pension plan. The System is administered by the MERS retirement board. MERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, MI 48917, or by calling (800) 767-6377.

Funding Policy. The County is required to contribute at an actuarially determined rate; the current rate for the County is between 7.00% and 43.63% of annual covered payroll, depending on employee group. All participating employees are required to contribute between 12.00% and 12.92% percent of their annual salary. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

For the year ended December 31, 2009, the annual pension cost of \$803,268 was equal to the required and actual contributions of the County. The required contributions were determined as part of the December 31, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0% to 8.40% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5% per year after retirement for certain retirees depending on the benefit option selected. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2008.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/07	\$ 683,559	\$ 683,559	100%	\$ -
12/31/08	699,556	699,556	100	-
12/31/09	803,268	803,268	100	-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/08	\$ 11,961,039	\$ 26,368,738	\$14,407,699	45%	\$ 8,216,643	175%

Flexible Benefit Plan – Primary Government

Plan Description. Calhoun County offers both health care and dependent care flexible spending accounts (FSAs). Eligible employees may contribute to an FSA through pre-tax payroll deductions. Eligible out-of-pocket health care or dependent care expenses are reimbursed to the employee through a third party administrator.

Defined Benefit Pension Plan - Road Commission

Municipal Employees Retirement System of Michigan

Plan Description. The Road Commission's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Road Commission participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the Retirement Board of MERS. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, Michigan 48917, or by calling (800) 767-6377.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Funding Policy. The Road Commission is required to contribute at an actuarially determined rate; the current rate is 16.4% to 18.8% of annual covered payroll. Certain employees are required to contribute to the Plan. The contribution requirements of the Road Commission are established by Act No. 427 of the Public Acts of 1984, as amended, and may be amended by the Retirement Board of MERS. The contribution requirements of plan members, if any, are established and may be amended by the Road Commission.

Annual Pension Cost. For the year ended December 31, 2009, the Road Commission's annual pension cost of \$535,483 for MERS was equal to the Road Commission's required and actual contributions. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% per year compounded annually, attributable to inflation, and (c) additional projected salary increases of 0.0% to 8.4% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The Road Commission's unfunded actuarial accrued liability as of December 31, 2008, the date of the latest actuarial valuation, is being amortized as a level percentage of projected payrolls on an open basis over 29 years.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
12/31/07	\$ 497,635	\$ 497,635	100%	\$ -
12/31/08	517,141	517,141	100	-
12/31/09	535,483	535,483	100	-

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
12/31/08	\$ 7,886,661	\$ 13,611,870	\$ 5,725,209	72%	\$ 2,576,262	158%

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

D. Other postemployment benefits

Primary Government

Plan Description. In accordance with labor agreements and board action, the County provides post-retirement healthcare benefits to full-time employees. The plans offered consist of an 80/20 Traditional Indemnity plan with prescription coverage, a Community Blue Preferred Provider Organization Plan 3 with prescription coverage, and a Medicare Advantage plan. To be eligible for coverage, a retiree must have a minimum of 10 years of service and attained the age of 50, with the sum of the age and years of service totaling at least 75. In 2009, 59 retirees met these requirements. Retirees are required to contribute 100% of the illustrated rate less any discount. A retiree who has completed at least 20 years of service and the sum of their age and years of service totals at least 85, are eligible for a discount as follows:

<u>Age at Retirement</u>	<u>Monthly Discount</u>
At least 60	\$8 x years of service
At least 61	\$9 x years of service
At least 62	\$10 x years of service

In 2009, the discount for retirees totaled \$146,262; retirees paid \$193,471 toward their coverage; and the retiree health and prescription claims paid by the County totaled \$288,289.

Plan Membership. Plan membership consisted of the following at December 31, 2009:

Retirees and beneficiaries currently receiving benefits	59
Active plan members	<u>449</u>
Total	<u>508</u>

Funding Policy. The County is required to contribute at an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Annual OPEB Cost and Net OPEB Obligation. For 2009, the components of the County's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to the Plan are as follows:

Annual required contribution	\$ 1,049,964
Interest on net OPEB obligation	33,752
Adjustment to annual required contribution	<u>(47,772)</u>
Annual OPEB cost (expense)	1,035,944
Contributions made	<u>(94,818)</u>
Increase in net OPEB obligation	941,126
Net OPEB obligation, beginning of year	<u>843,792</u>
Net OPEB obligation, end of year	<u>\$ 1,784,918</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009, was as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
12/31/08	\$ 993,781	\$ 149,989	15%	\$ 843,792
12/31/09	1,035,944	94,818	9%	1,784,918

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2008, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)	\$ 11,145,479
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 11,145,479</u>
Funded ratio	0.0%
Covered payroll (active plan members)	\$ 25,020,978
UAAL as a percentage of covered payroll	44.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date	12/31/08
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	5.0%
Healthcare inflation rate	4.0% downgraded to 0% over 4 years

Road Commission Component Unit

Plan Description. The Road Commission provides health insurance benefits for its retired employees, as established by Road Commission Board Resolution. The Road Commission pays 90% of medical premiums for employees at various ages and years of service depending on classification upon retirement. Spouses are covered to the earlier of death or death of participant.

Plan Membership. Plan membership consisted of the following at December 31, 2007 (the date of the latest actuarial valuation):

Retirees and beneficiaries currently receiving benefits	49
Active participants	65

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Funding Policy. The Road Commission is required to contribute at an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current combined ARC is 12.4% of annual covered payroll.

Annual OPEB Cost and Net OPEB Obligation. For 2009, the components of the Road Commission's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the Road Commission's net OPEB obligation to the Plan are as follows:

Annual required contribution	\$ 329,564
Interest on net OPEB obligation	3,763
Adjustment to annual required contribution	<u>(5,326)</u>
Annual OPEB cost (expense)	328,001
Contributions made	<u>(271,941)</u>
Increase in net OPEB obligation	56,060
Net OPEB obligation, beginning of year	<u>94,072</u>
Net OPEB obligation, end of year	<u>\$ 150,132</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009, which is the first year for OPEB obligation determination, was as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of ARC Contributed</u>	<u>Net OPEB Obligation</u>
12/31/08	\$ 320,261	\$ 226,189	70.6%	\$94,072
12/31/09	328,001	271,941	82.9%	150,132

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

Funded Status and Funding Progress. The funded status of the Plan as of December 31, 2007, the date of the latest actuarial valuation, was as follows:

Actuarial accrued liabilities (AAL)	\$ 4,079,394
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,079,394</u>
Funded ratio	0.0%
Covered payroll (active plan members)	\$ 2,576,262
UAAL as a percentage of covered payroll	158%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements of the Road Commission, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Significant methods and assumptions were as follows:

Actuarial valuation date	12/31/07
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	30 years

Actuarial assumptions:

Investment rate of return	4.0%
Projected salary increases	5.0%
Healthcare inflation rate	9.0% downgraded to 5% over 4 years

COUNTY OF CALHOUN, MICHIGAN

Notes to the Financial Statements

E. Contingent liabilities

Amounts received or receivable from grantor agencies and health care intermediaries including Medicare and Medicaid are subject to audit and adjustment by the grantor agencies or intermediaries. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors or intermediaries cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government and its component units, individually or jointly, are a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government and component unit's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

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***REQUIRED SUPPLEMENTARY
INFORMATION***

COUNTY OF CALHOUN, MICHIGAN
Required Supplementary Information

Employees Retirement System
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/03	\$ 2,249,674	\$ 10,902,589	\$ 8,652,915	21%	\$ 8,566,899	101%
12/31/04	3,311,607	11,507,084	8,195,477	29%	9,358,934	88%
12/31/05	4,370,131	16,258,413	11,888,282	27%	10,614,989	112%
12/31/06	6,479,448	18,105,294	11,625,846	36%	10,368,517	112%
12/31/07	8,275,209	19,488,001	11,212,792	42%	10,557,094	106%
12/31/08	8,894,590	20,809,808	11,915,218	43%	10,769,141	111%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2004	\$ 532,818	100%
2005	519,753	100%
2006	740,089	100%
2007	751,800	100%
2008	762,920	100%
2009	835,013	100%

Other Postemployment Benefit Plan
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/07	\$ -	\$ 11,145,479	\$ 11,145,479	0%	\$ 25,020,978	45%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2008	\$ 993,781	15%
2009	1,049,964	9%

COUNTY OF CALHOUN, MICHIGAN
Required Supplementary Information

Municipal Employees Retirement System
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll ((B-A)/C)
12/31/03	\$ 5,121,803	\$ 15,304,431	\$ 10,182,628	33%	\$ 6,670,421	153%
12/31/04	6,373,913	16,395,271	10,021,358	39%	6,713,373	149%
12/31/05	7,704,029	19,944,123	12,240,094	39%	7,412,939	165%
12/31/06	9,078,283	21,865,716	12,787,433	42%	7,358,040	174%
12/31/07	10,558,816	23,646,999	13,088,183	45%	8,025,218	163%
12/31/08	11,961,039	26,368,738	14,407,699	45%	8,216,643	175%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2003	\$ 457,380	100%
2004	466,928	100%
2005	586,510	100%
2006	609,154	100%
2007	683,559	100%
2008	699,556	100%
2009	803,268	100%

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
<u>ASSETS</u>					
Assets					
Cash and cash equivalents	\$ 3,258,974	\$ 10,420	\$ 276,476	\$ -	\$ 3,545,870
Investments	-	-	-	37,765	37,765
Receivables:					
Accounts, net	347,127	-	-	-	347,127
Delinquent taxes	211	13,409	-	-	13,620
Accrued interest	324	-	-	113	437
Due from other governments	1,162,792	-	-	-	1,162,792
Due from other funds	2,291	-	-	-	2,291
Interfund receivable	571,937	-	-	-	571,937
Prepaid items	13,530	-	-	-	13,530
<u>TOTAL ASSETS</u>	\$ 5,357,186	\$ 23,829	\$ 276,476	\$ 37,878	\$ 5,695,369
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ 354,454	\$ 2,553	\$ -	\$ -	\$ 357,007
Due to other governments	265,062	-	-	-	265,062
Due to other funds	5,921	-	-	-	5,921
Interfund payables	474,504	-	-	-	474,504
Deferred revenue	16,020	13,395	-	-	29,415
Total liabilities	1,115,961	15,948	-	-	1,131,909
Fund balances					
Reserved for prepaid items	13,530	-	-	-	13,530
Reserved for perpetual care	-	-	-	36,546	36,546
Unreserved, undesignated	4,227,695	7,881	276,476	1,332	4,513,384
Total fund balances	4,241,225	7,881	276,476	37,878	4,563,460
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 5,357,186	\$ 23,829	\$ 276,476	\$ 37,878	\$ 5,695,369

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Permanent Fund Cemetery Perpetual Care	Total Nonmajor Governmental Funds
Revenue					
Taxes	\$ 913,905	\$ (2,289)	\$ -	\$ -	\$ 911,616
Licenses and permits	13,956	-	-	-	13,956
Intergovernmental	4,390,048	-	-	-	4,390,048
Charges for services	575,147	-	-	-	575,147
Fines and forfeitures	69,212	-	-	-	69,212
Interest and rents	12,923	3	-	432	13,358
Other	889,113	-	-	-	889,113
Total revenue	6,864,304	(2,286)	-	432	6,862,450
Expenditures					
Current:					
Judicial	3,965,778	-	-	-	3,965,778
General government	8,680	-	-	-	8,680
Public safety	2,609,785	-	-	-	2,609,785
Health and welfare	705,329	-	-	-	705,329
Recreation and cultural	1,038,774	-	-	-	1,038,774
Other	-	-	17,600	906	18,506
Debt service:					
Principal	-	340,000	-	-	340,000
Interest and fiscal charges	-	377,750	-	-	377,750
Capital outlay	72,497	-	111,360	-	183,857
Total expenditures	8,400,843	717,750	128,960	906	9,248,459
Revenue under expenditures	(1,536,539)	(720,036)	(128,960)	(474)	(2,386,009)
Other financing sources (uses)					
Transfers in	1,843,210	720,337	405,436	-	2,968,983
Transfers out	(3,143,572)	-	-	-	(3,143,572)
Total other financing sources (uses)	(1,300,362)	720,337	405,436	-	(174,589)
Net change in fund balance	(2,836,901)	301	276,476	(474)	(2,560,598)
Fund balance, beginning of year	7,078,126	7,580	-	38,352	7,124,058
Fund balance, end of year	\$ 4,241,225	\$ 7,881	\$ 276,476	\$ 37,878	\$ 4,563,460

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NONMAJOR SPECIAL REVENUE FUNDS

Description of Funds
Combining Financial Statements
Individual Fund Schedules

NONMAJOR SPECIAL REVENUE FUNDS

Friend of the Court -- This fund is used to account for mediation services regarding custody or visitation rights to parties involved in divorce. This fund is also used to account for grant revenues that are specifically restricted to the provision of Child Support Services. Financing is provided by State and Federal sources and a County appropriation.

Family Counseling -- This fund is used to account for the operations of a family counseling service. Financing is provided by marriage license fees.

County Special Projects -- This fund is used to account for the costs of special projects and is funded by transfers from the General fund.

Accommodations Tax -- This fund is used to account for a collection of a five percent hotel/motel room tax. Board of Commissioner's resolutions allocate a portion of these revenues to promote tourism and convention business. State law limits the use of hotel/motel accommodation tax revenue to the development and promotion of convention and entertainment facilities.

Solid Waste Management -- This fund is used to account for costs related to a planning grant for solid waste and recycling management.

Circuit Court Grants -- This fund is used to account for costs related to grants received by the Circuit Court.

Parks -- This fund is used to account for certain operations and maintenance of County owned parks and facilities.

Remonumentation -- This fund is used to account for the operations of the State-funded remonumentation grant and Board designated fees for enhancement of the County's remonumentation initiative.

Register of Deeds Automation -- This fund is used to account for fees collected that are restricted by law to be used for technology upgrades with the Register of Deeds Department.

Clerk -- This fund is used to account for the operations of the County Clerk's Byrne Memorial grant.

Local Emergency Planning -- This fund is used to account for various local emergency planning committees.

Emergency 911 -- This fund is used to account for the operations of the emergency telephone and dispatch system. Financing is provided through a County-wide surcharge.

Sheriff -- This fund is used to account for the office of the Sheriff special operations and related grant funds.

NONMAJOR SPECIAL REVENUE FUNDS

CONCLUDED

Emergency Management -- This fund is used to account for various Homeland Security Grants.

Law Library -- This fund is used to record revenues provided for the maintenance of a law library. Money for the operation of this fund is from the statutory transfer of penal fines.

Community Corrections -- This fund is used to account for the County's community corrections program. This program is State funded.

Community Corrections State Office -- This fund is used to account for activities under a grant for special community corrections initiatives.

Prosecutor -- This fund is used to account for the Prosecutor's special operations and related grant funds.

Housing Rehabilitation -- This fund is used to account for Community Development Block Grant Funds, which are under the administration of the Michigan State Housing Development Authority (MSHDA), as they are used for Housing Rehabilitation Program activities.

Revenue Sharing Reserve -- This fund is used to account for accelerated property taxes collections held for the replacement of future state shared revenue.

Federal and State Grant -- This fund is used to account for the operations of Federal and State grant programs.

MSU Cooperative Extension -- This fund is used to account for the various programs sponsored by MSU.

Human Services -- This fund is used to account for funds which are provided by County, State, and Federal governments to administer the human services department, assist eligible recipients, and to administer various State and Federal human services programs.

Soldiers' Relief -- This fund is used to account for funds provided by a tax levy for indigent veterans.

Veterans' Trust -- This fund is used to account for revenue set aside for aid to veterans. Funding is provided by the State of Michigan.

Employee Benefits -- This fund is used to account for the administrative costs of operating the County's 401(k) Pension Plan.

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	(215) Friend of the Court	(216) Family Counseling	(228) County Special Projects	(229) Accommodations Tax
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 60,189	\$ 122,268	\$ 60,914
Receivables:				
Accounts, net	220	-	-	57,265
Delinquent taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	817,495	-	-	-
Due from other funds	-	-	2,291	-
Interfund receivable	-	-	-	-
Prepaid items	-	-	-	-
<u>TOTAL ASSETS</u>	\$ 817,715	\$ 60,189	\$ 124,559	\$ 118,179
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 12,820	\$ -	\$ 524	\$ 112,453
Due to other governments	-	-	-	-
Due to other funds	-	-	-	5,726
Interfund payables	336,750	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	349,570	-	524	118,179
Fund balances				
Reserved for prepaid items	-	-	-	-
Unreserved, undesignated	468,145	60,189	124,035	-
Total fund balances	468,145	60,189	124,035	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 817,715	\$ 60,189	\$ 124,559	\$ 118,179

(230) Solid Waste Management	(236) Circuit Court Grants	(243) Parks	(245) Remon- umentation	(256) Register of Deeds Automation	(260) Clerk
\$ 724,897	\$ 499,811	\$ 25,911	\$ 123,338	\$ 126,586	\$ 3,500
52,712	-	-	-	-	-
-	-	-	-	-	-
324	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	11,345	-	-	-
\$ 777,933	\$ 499,811	\$ 37,256	\$ 123,338	\$ 126,586	\$ 3,500
\$ 24,142	\$ 7,054	\$ 2,768	\$ 868	\$ 10,853	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	140	-	-	-	-
24,142	7,194	2,768	868	10,853	-
-	-	11,345	-	-	-
753,791	492,617	23,143	122,470	115,733	3,500
753,791	492,617	34,488	122,470	115,733	3,500
\$ 777,933	\$ 499,811	\$ 37,256	\$ 123,338	\$ 126,586	\$ 3,500

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2009

	(263) Local Emergency Planning	(264) Emergency 911	(265) Sheriff	(266) Emergency Management
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 1,239	\$ 232,095	\$ 92,046	\$ -
Receivables:				
Accounts, net	-	223,504	10,457	-
Delinquent taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	1,600	74,472	106,812	19,345
Due from other funds	-	-	-	-
Interfund receivable	-	-	-	-
Prepaid items	-	638	-	-
<u>TOTAL ASSETS</u>	\$ 2,839	\$ 530,709	\$ 209,315	\$ 19,345
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 1,600	\$ 138,894	\$ 29,127	\$ 63
Due to other governments	-	224,062	-	-
Due to other funds	-	-	-	-
Interfund payables	-	-	-	19,282
Deferred revenue	548	-	15,121	-
Total liabilities	2,148	362,956	44,248	19,345
Fund balances				
Reserved for prepaid items	-	638	-	-
Unreserved, undesignated	691	167,115	165,067	-
Total fund balances	691	167,753	165,067	-
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 2,839	\$ 530,709	\$ 209,315	\$ 19,345

(269) Law Library	(273) Community Corrections	(281) Prosecutor	(285) Housing Rehabilitation	(286) Revenue Sharing Reserve
\$ 3,490	\$ -	\$ -	\$ 11,829	\$ 939,032
-	-	2,969	-	-
-	-	-	-	-
-	-	-	-	-
-	54,515	88,077	-	-
-	-	-	-	-
-	-	-	-	571,937
-	-	1,547	-	-
\$ 3,490	\$ 54,515	\$ 92,593	\$ 11,829	\$ 1,510,969
\$ 2,995	\$ 2,816	\$ 1,599	\$ 3,523	\$ -
-	-	-	-	-
-	-	-	-	-
-	51,699	66,297	-	-
-	-	-	-	-
2,995	54,515	67,896	3,523	-
-	-	1,547	-	-
495	-	23,150	8,306	1,510,969
495	-	24,697	8,306	1,510,969
\$ 3,490	\$ 54,515	\$ 92,593	\$ 11,829	\$ 1,510,969

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds (Concluded)
December 31, 2009

	(287) Federal and State Grant	(289) MSU Coop. Ext.	(290) Human Services	(293) Soldiers' Relief
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 174,873	\$ 48,909
Receivables:				
Accounts, net	-	-	-	-
Delinquent taxes	-	-	-	211
Accrued interest	-	-	-	-
Due from other governments	476	-	-	-
Due from other funds	-	-	-	-
Interfund receivable	-	-	-	-
Prepaid items	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 476</u>	<u>\$ -</u>	<u>\$ 174,873</u>	<u>\$ 49,120</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 25
Due to other governments	-	-	41,000	-
Due to other funds	-	-	-	-
Interfund payables	476	-	-	-
Deferred revenue	-	-	-	211
Total liabilities	<u>476</u>	<u>-</u>	<u>41,000</u>	<u>236</u>
Fund balances				
Reserved for prepaid items	-	-	-	-
Unreserved, undesignated	-	-	133,873	48,884
Total fund balances	<u>-</u>	<u>-</u>	<u>133,873</u>	<u>48,884</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>\$ 476</u>	<u>\$ -</u>	<u>\$ 174,873</u>	<u>\$ 49,120</u>

(294) Veterans' Trust		(731) Employee Benefits		Totals	
\$	3,623	\$	4,424	\$	3,258,974
	-		-		347,127
	-		-		211
	-		-		324
	-		-		1,162,792
	-		-		2,291
	-		-		571,937
	-		-		13,530
\$	3,623	\$	4,424	\$	5,357,186
\$	-	\$	2,330	\$	354,454
	-		-		265,062
	-		195		5,921
	-		-		474,504
	-		-		16,020
	-		2,525		1,115,961
	-		-		13,530
	3,623		1,899		4,227,695
	3,623		1,899		4,241,225
\$	3,623	\$	4,424	\$	5,357,186

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	(215) Friend of the Court	(216) Family Counseling	(228) County Special Projects	(229) Accommodations Tax
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ 902,196
Licenses and permits	-	13,956	-	-
Intergovernmental	2,362,787	-	-	-
Charges for services	43,191	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	2,405,978	13,956	-	902,196
Expenditures				
Current:				
Judicial	3,929,794	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	5,863	811,976
Capital outlay	40,573	-	-	-
Total expenditures	3,970,367	-	5,863	811,976
Revenue over (under) expenditures	(1,564,389)	13,956	(5,863)	90,220
Other financing sources (uses)				
Transfers in	1,564,388	-	36,088	-
Transfers out	-	(10,000)	(20,000)	(90,220)
Total other financing sources (uses)	1,564,388	(10,000)	16,088	(90,220)
Net change in fund balance	(1)	3,956	10,225	-
Fund balance, beginning of year	468,146	56,233	113,810	-
Fund balance, end of year	\$ 468,145	\$ 60,189	\$ 124,035	\$ -

(230) Solid Waste Management	(236) Circuit Court Grants	(243) Parks	(245) Remon- umentation	(256) Register of Deeds Automation	(260) Clerk
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	408,828	-	118,074	-	-
227,912	-	15,679	-	132,235	-
-	-	-	-	-	-
4,800	586	27	-	223	-
6,618	13,291	-	40,078	-	6
239,330	422,705	15,706	158,152	132,458	6
-	-	-	-	-	-
-	-	-	-	-	-
-	315,686	-	-	-	-
179,209	-	-	-	-	-
-	-	2,650	144,531	62,214	-
-	-	-	-	10,862	-
179,209	315,686	2,650	144,531	73,076	-
60,121	107,019	13,056	13,621	59,382	6
-	-	-	-	-	-
-	-	-	-	(20,000)	-
-	-	-	-	(20,000)	-
60,121	107,019	13,056	13,621	39,382	6
693,670	385,598	21,432	108,849	76,351	3,494
\$ 753,791	\$ 492,617	\$ 34,488	\$ 122,470	\$ 115,733	\$ 3,500

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	(263) Local Emergency Planning	(264) Emergency 911	(265) Sheriff	(266) Emergency Management
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,600	-	268,385	82,938
Charges for services	-	-	60,964	-
Fines and forfeitures	-	-	62,712	-
Interest and rents	-	-	18	-
Other	-	785,372	4,975	-
Total revenue	1,600	785,372	397,054	82,938
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	2,149	960,447	424,205	78,869
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	11,000	6,019
Total expenditures	2,149	960,447	435,205	84,888
Revenue over (under) expenditures	(549)	(175,075)	(38,151)	(1,950)
Other financing sources (uses)				
Transfers in	-	-	93,611	1,950
Transfers out	-	(1,950)	-	-
Total other financing sources (uses)	-	(1,950)	93,611	1,950
Net change in fund balance	(549)	(177,025)	55,460	-
Fund balance, beginning of year	1,240	344,778	109,607	-
Fund balance, end of year	\$ 691	\$ 167,753	\$ 165,067	\$ -

(269) Law Library	(273) Community Corrections	(281) Prosecutor	(285) Housing Rehabilitation	(286) Revenue Sharing Reserve
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	194,324	493,064	108,360	-
-	-	-	-	-
6,500	-	-	-	-
-	-	-	-	7,269
-	-	21,705	7,068	-
6,500	194,324	514,769	115,428	7,269
35,984	-	-	-	-
-	-	-	-	-
-	199,965	627,988	-	-
-	-	-	108,551	-
-	-	-	-	-
-	-	4,043	-	-
35,984	199,965	632,031	108,551	-
(29,484)	(5,641)	(117,262)	6,877	7,269
13,780	4,848	123,937	-	-
-	-	-	-	(3,001,402)
13,780	4,848	123,937	-	(3,001,402)
(15,704)	(793)	6,675	6,877	(2,994,133)
16,199	793	18,022	1,429	4,505,102
\$ 495	\$ -	\$ 24,697	\$ 8,306	\$ 1,510,969

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances (Concluded)
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	(287) Federal and State Grant	(289) MSU Coop. Ext.	(290) Human Services	(293) Soldiers' Relief
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ 11,709
Licenses and permits	-	-	-	-
Intergovernmental	476	11,540	331,035	-
Charges for services	-	-	95,166	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	476	11,540	426,201	11,709
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	476	-	-	-
Health and welfare	-	-	405,835	(406)
Recreation and cultural	-	11,540	-	-
Capital outlay	-	-	-	-
Total expenditures	476	11,540	405,835	(406)
Revenue over (under) expenditures	-	-	20,366	12,115
Other financing sources (uses)				
Transfers in	-	-	4,583	25
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	4,583	25
Net change in fund balance	-	-	24,949	12,140
Fund balance, beginning of year	-	-	108,924	36,744
Fund balance, end of year	\$ -	\$ -	\$ 133,873	\$ 48,884

(294) Veterans' Trust	(731) Employee Benefits	Totals
\$ -	\$ -	\$ 913,905
-	-	13,956
8,637	-	4,390,048
-	-	575,147
-	-	69,212
-	-	12,923
-	10,000	889,113
8,637	10,000	6,864,304
-	-	3,965,778
-	8,680	8,680
-	-	2,609,785
12,140	-	705,329
-	-	1,038,774
-	-	72,497
12,140	8,680	8,400,843
(3,503)	1,320	(1,536,539)
-	-	1,843,210
-	-	(3,143,572)
-	-	(1,300,362)
(3,503)	1,320	(2,836,901)
7,126	579	7,078,126
\$ 3,623	\$ 1,899	\$ 4,241,225

COUNTY OF CALHOUN, MICHIGAN
Friend of the Court
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	2,203,487	2,362,787	159,300	2,159,466
Charges for services	41,500	43,191	1,691	40,832
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	2,244,987	2,405,978	160,991	2,200,298
Expenditures				
Current:				
Judicial	4,228,486	3,929,794	(298,692)	3,851,619
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	46,000	40,573	(5,427)	42,024
Total expenditures	4,274,486	3,970,367	(304,119)	3,893,643
Revenue over (under) expenditures	(2,029,499)	(1,564,389)	465,110	(1,693,345)
Other financing sources (uses)				
Transfers in	1,993,499	1,564,388	(429,111)	1,999,058
Transfers out	-	-	-	-
Total other financing sources	1,993,499	1,564,388	(429,111)	1,999,058
Net change in fund balance	(36,000)	(1)	35,999	305,713
Fund balance, beginning of year	468,146	468,146	-	162,433
Fund balance, end of year	\$ 432,146	\$ 468,145	\$ 35,999	\$ 468,146

COUNTY OF CALHOUN, MICHIGAN
Family Counseling
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	14,000	13,956	(44)	14,330
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	14,000	13,956	(44)	14,330
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	8,000	-	(8,000)	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	8,000	-	(8,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over expenditures	6,000	13,956	7,956	14,330
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(10,000)	(10,000)	-	(10,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(10,000)	(10,000)	-	(10,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(4,000)	3,956	7,956	4,330
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	56,233	56,233	-	51,903
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 52,233</u>	<u>\$ 60,189</u>	<u>\$ 7,956</u>	<u>\$ 56,233</u>

COUNTY OF CALHOUN, MICHIGAN
County Special Projects
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Total revenue	-	-	-	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	20,000	5,863	(14,137)	4,709
Capital outlay	-	-	-	-
	20,000	5,863	(14,137)	4,709
Total expenditures	20,000	5,863	(14,137)	4,709
Revenue over (under) expenditures	(20,000)	(5,863)	14,137	(4,709)
Other financing sources (uses)				
Transfers in	40,000	36,088	(3,912)	37,951
Transfers out	(20,000)	(20,000)	-	(20,000)
	20,000	16,088	(3,912)	17,951
Total other financing sources (uses)	20,000	16,088	(3,912)	17,951
Net change in fund balance	-	10,225	10,225	13,242
Fund balance, beginning of year	113,810	113,810	-	100,568
Fund balance, end of year	\$ 113,810	\$ 124,035	\$ 10,225	\$ 113,810

COUNTY OF CALHOUN, MICHIGAN
Accommodations Tax
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ 900,000	\$ 902,196	\$ 2,196	\$ 948,760
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	900,000	902,196	2,196	948,760
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	810,000	811,976	1,976	853,884
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	810,000	811,976	1,976	853,884
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over expenditures	90,000	90,220	220	94,876
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(90,000)	(90,220)	(220)	(94,876)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(90,000)	(90,220)	(220)	(94,876)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF CALHOUN, MICHIGAN
Solid Waste Management
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	155,000	227,912	72,912	200,328
Fines and forfeitures	-	-	-	-
Interest and rents	15,000	4,800	(10,200)	16,738
Other	-	6,618	6,618	8,278
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	170,000	239,330	69,330	225,344
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	230,512	179,209	(51,303)	180,424
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	230,512	179,209	(51,303)	180,424
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(60,512)	60,121	120,633	44,920
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(54,430)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	(54,430)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(60,512)	60,121	120,633	(9,510)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	693,670	693,670	-	703,180
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 633,158</u>	<u>\$ 753,791</u>	<u>\$ 120,633</u>	<u>\$ 693,670</u>

COUNTY OF CALHOUN, MICHIGAN
Circuit Court Grants
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	408,000	408,828	828	547,145
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	586	586	1,223
Other	-	13,291	13,291	12,497
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	408,000	422,705	14,705	560,865
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	418,000	315,686	(102,314)	258,190
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	418,000	315,686	(102,314)	258,190
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over expenditures	(10,000)	107,019	117,019	302,675
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(10,000)	107,019	117,019	302,675
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	385,598	385,598	-	82,923
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 375,598</u>	<u>\$ 492,617</u>	<u>\$ 117,019</u>	<u>\$ 385,598</u>

COUNTY OF CALHOUN, MICHIGAN
Parks
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	14,642	15,679	1,037	21,633
Fines and forfeitures	-	-	-	-
Interest and rents	-	27	27	77
Other	-	-	-	-
	14,642	15,706	1,064	21,710
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	13,433	2,650	(10,783)	22,670
Capital outlay	-	-	-	-
	13,433	2,650	(10,783)	22,670
Revenue over (under) expenditures	1,209	13,056	11,847	(960)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Net change in fund balance	1,209	13,056	11,847	(960)
Fund balance, beginning of year	21,432	21,432	-	22,392
Fund balance, end of year	\$ 22,641	\$ 34,488	\$ 11,847	\$ 21,432

COUNTY OF CALHOUN, MICHIGAN
Remonumentation
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	77,558	118,074	40,516	172,330
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	44,000	40,078	(3,922)	40,940
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	121,558	158,152	36,594	213,270
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	273,562	144,531	(129,031)	198,204
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	273,562	144,531	(129,031)	198,204
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(152,004)	13,621	165,625	15,066
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	5,000
Transfers out	-	-	-	(5,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(152,004)	13,621	165,625	15,066
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	108,849	108,849	-	93,783
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance (deficit), end of year	<u>\$ (43,155)</u>	<u>\$ 122,470</u>	<u>\$ 165,625</u>	<u>\$ 108,849</u>

COUNTY OF CALHOUN, MICHIGAN
Register of Deeds Automation
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	150,000	132,235	(17,765)	131,525
Fines and forfeitures	-	-	-	-
Interest and rents	1,000	223	(777)	2,785
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	151,000	132,458	(18,542)	134,310
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	153,010	62,214	(90,796)	128,047
Capital outlay	37,730	10,862	(26,868)	23,607
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	190,740	73,076	(117,664)	151,654
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(39,740)	59,382	99,122	(17,344)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(20,000)	(20,000)	-	(23,645)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(20,000)	(20,000)	-	(23,645)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(59,740)	39,382	99,122	(40,989)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	76,351	76,351	-	117,340
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ 16,611	\$ 115,733	\$ 99,122	\$ 76,351
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COUNTY OF CALHOUN, MICHIGAN
Clerk
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	6	6	86
	-	6	6	86
Total revenue	-	6	6	86
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	-	-	-	-
Total expenditures	-	-	-	-
Revenue over expenditures	-	6	6	86
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	6	6	86
Fund balance, beginning of year	3,494	3,494	-	3,408
Fund balance, end of year	\$ 3,494	\$ 3,500	\$ 6	\$ 3,494

COUNTY OF CALHOUN, MICHIGAN
Local Emergency Planning
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	1,600	1,600	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	3,250	-	(3,250)	1,474
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	3,250	1,600	(1,650)	1,474
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	3,250	2,149	(1,101)	9,901
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,250	2,149	(1,101)	9,901
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	(549)	(549)	(8,427)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	(549)	(549)	(8,427)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	1,240	1,240	-	9,667
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 1,240</u>	<u>\$ 691</u>	<u>\$ (549)</u>	<u>\$ 1,240</u>

COUNTY OF CALHOUN, MICHIGAN
Emergency 911
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	1,147,220	785,372	(361,848)	968,170
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	1,147,220	785,372	(361,848)	968,170
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	716,365	960,447	244,082	733,237
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	415,640	-	(415,640)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,132,005	960,447	(171,558)	733,237
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	15,215	(175,075)	(190,290)	234,933
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(2,305)	(1,950)	355	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(2,305)	(1,950)	355	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	12,910	(177,025)	(189,935)	234,933
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	344,778	344,778	-	109,845
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 357,688</u>	<u>\$ 167,753</u>	<u>\$ (189,935)</u>	<u>\$ 344,778</u>

COUNTY OF CALHOUN, MICHIGAN
Sheriff
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	838,660	268,385	(570,275)	294,401
Charges for services	59,000	60,964	1,964	65,540
Fines and forfeitures	20,000	62,712	42,712	12,955
Interest and rents	100	18	(82)	153
Other	1,800	4,975	3,175	1,925
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	919,560	397,054	(522,506)	374,974
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	1,004,262	424,205	(580,057)	426,579
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	11,000	11,000	-	18,100
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,015,262	435,205	(580,057)	444,679
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(95,702)	(38,151)	57,551	(69,705)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	93,702	93,611	(91)	74,555
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	93,702	93,611	(91)	74,555
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(2,000)	55,460	57,460	4,850
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	109,607	109,607	-	104,755
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 107,607</u>	<u>\$ 165,067</u>	<u>\$ 57,460</u>	<u>\$ 109,605</u>

COUNTY OF CALHOUN, MICHIGAN
Emergency Management
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	92,178	82,938	(9,240)	80,829
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	92,178	82,938	(9,240)	80,829
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	85,464	78,869	(6,595)	90,204
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	9,019	6,019	(3,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	94,483	84,888	(9,595)	90,204
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(2,305)	(1,950)	355	(9,375)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	2,305	1,950	(355)	9,375
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	2,305	1,950	(355)	9,375
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COUNTY OF CALHOUN, MICHIGAN
Law Library
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	6,500	6,500	-	6,500
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	6,500	6,500	-	6,500
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	34,280	35,984	1,704	26,015
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	34,280	35,984	1,704	26,015
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(27,780)	(29,484)	(1,704)	(19,515)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	13,780	13,780	-	13,780
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	13,780	13,780	-	13,780
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(14,000)	(15,704)	(1,704)	(5,735)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	16,199	16,199	-	21,934
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 2,199</u>	<u>\$ 495</u>	<u>\$ (1,704)</u>	<u>\$ 16,199</u>

COUNTY OF CALHOUN, MICHIGAN
Community Corrections
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	196,774	194,324	(2,450)	212,072
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	196,774	194,324	(2,450)	212,072
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	204,732	199,965	(4,767)	228,623
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	204,732	199,965	(4,767)	228,623
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(7,958)	(5,641)	2,317	(16,551)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	5,641	4,848	(793)	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	5,641	4,848	(793)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(2,317)	(793)	1,524	(16,551)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	793	793	-	17,344
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ (1,524)</u>	<u>\$ -</u>	<u>\$ 1,524</u>	<u>\$ 793</u>

COUNTY OF CALHOUN, MICHIGAN
Prosecutor
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	480,288	493,064	12,776	545,465
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	2,000	21,705	19,705	30,569
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	482,288	514,769	32,481	576,034
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	667,170	627,988	(39,182)	667,572
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	4,800	4,043	(757)	7,197
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	671,970	632,031	(39,939)	674,769
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	(189,682)	(117,262)	72,420	(98,735)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	189,682	123,937	(65,745)	104,001
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	189,682	123,937	(65,745)	104,001
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	6,675	6,675	5,266
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	18,022	18,022	-	12,756
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 18,022</u>	<u>\$ 24,697</u>	<u>\$ 6,675</u>	<u>\$ 18,022</u>

COUNTY OF CALHOUN, MICHIGAN
Housing Rehabilitation
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	163,000	108,360	(54,640)	113,922
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	7,068	7,068	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	163,000	115,428	(47,572)	113,922
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	163,000	108,551	(54,449)	144,636
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	163,000	108,551	(54,449)	144,636
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	6,877	6,877	(30,714)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	6,877	6,877	(30,714)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	1,429	1,429	-	32,143
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 1,429</u>	<u>\$ 8,306</u>	<u>\$ 6,877</u>	<u>\$ 1,429</u>

COUNTY OF CALHOUN, MICHIGAN
Revenue Sharing Reserve
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	150,000	7,269	(142,731)	110,625
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	150,000	7,269	(142,731)	110,625
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	150,000	7,269	(142,731)	110,625
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(3,001,402)	(3,001,402)	-	(2,874,906)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(3,001,402)	(3,001,402)	-	(2,874,906)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	(2,851,402)	(2,994,133)	(142,731)	(2,764,281)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	4,505,102	4,505,102	-	7,269,383
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 1,653,700</u>	<u>\$ 1,510,969</u>	<u>\$ (142,731)</u>	<u>\$ 4,505,102</u>

COUNTY OF CALHOUN, MICHIGAN
Federal and State Grant
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	476	476	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Total revenue	-	476	476	-
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	476	476	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	-	-	-	-
Total expenditures	-	476	476	-
Revenue over (under) expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CALHOUN, MICHIGAN
MSU Cooperative Extension
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	11,540	11,540	-	15,452
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	11,540	11,540	-	15,452
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	11,540	11,540	-	22,451
Capital outlay	-	-	-	-
	11,540	11,540	-	22,451
Revenue over (under) expenditures	-	-	-	(6,999)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	-	(6,999)
Fund balance, beginning of year	-	-	-	6,999
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CALHOUN, MICHIGAN
Human Services
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	325,281	331,035	5,754	280,845
Charges for services	81,324	95,166	13,842	39,192
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
Total revenue	406,605	426,201	19,596	320,037
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	411,605	405,835	(5,770)	336,689
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	411,605	405,835	(5,770)	336,689
Revenue over (under) expenditures	(5,000)	20,366	25,366	(16,652)
Other financing sources (uses)				
Transfers in	5,000	4,583	(417)	4,500
Transfers out	-	-	-	-
Total other financing sources (uses)	5,000	4,583	(417)	4,500
Net change in fund balance	-	24,949	24,949	(12,152)
Fund balance, beginning of year	108,924	108,924	-	121,076
Fund balance, end of year	\$ 108,924	\$ 133,873	\$ 24,949	\$ 108,924

COUNTY OF CALHOUN, MICHIGAN
Soldiers' Relief
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ 11,706	\$ 11,709	\$ 3	\$ 10,023
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	11,706	11,709	3	10,023
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	11,731	(406)	(12,137)	448
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	11,731	(406)	(12,137)	448
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over expenditures	(25)	12,115	12,140	9,575
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	25	25	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	25	25	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	12,140	12,140	9,575
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	36,744	36,744	-	27,169
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 36,744</u>	<u>\$ 48,884</u>	<u>\$ 12,140</u>	<u>\$ 36,744</u>

COUNTY OF CALHOUN, MICHIGAN
Veterans' Trust
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	22,000	8,637	(13,363)	19,862
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	-
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	22,000	8,637	(13,363)	19,862
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures				
Current:				
Judicial	-	-	-	-
General government				
Public safety	-	-	-	-
Health and welfare	22,000	12,140	(9,860)	16,204
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	22,000	12,140	(9,860)	16,204
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue over (under) expenditures	-	(3,503)	(3,503)	3,658
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	(3,503)	(3,503)	3,658
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, beginning of year	7,126	7,126	-	3,468
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	<u>\$ 7,126</u>	<u>\$ 3,623</u>	<u>\$ (3,503)</u>	<u>\$ 7,126</u>

COUNTY OF CALHOUN, MICHIGAN
Employee Benefits
Schedule of Revenue, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2009

	Amended Budget	Actual	Over (Under) Budget	2008
Revenue				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rents	-	-	-	22
Other	-	10,000	10,000	-
	-	10,000	10,000	22
Total revenue	-	10,000	10,000	22
Expenditures				
Current:				
Judicial	-	-	-	-
General government	-	8,680	8,680	7,886
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
	-	8,680	8,680	7,886
Total expenditures	-	8,680	8,680	7,886
Revenue over (under) expenditures	-	1,320	1,320	(7,864)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	1,320	1,320	(7,864)
Fund balance, beginning of year	579	579	-	8,443
Fund balance, end of year	\$ 579	\$ 1,899	\$ 1,320	\$ 579

NONMAJOR DEBT SERVICE FUNDS

Description of Funds
Combining Financial Statements

NONMAJOR DEBT SERVICE FUNDS

Jail Series III Refunding -- This fund is used to account for the retirement of refunding bonds issued in 1997. Funding is provided by a property tax levy.

Justice Center Refunding -- This fund is used to account for payment of principal and interest of bonds related to the Justice Center Complex project. Funding is provided through General Fund appropriations.

COUNTY OF CALHOUN, MICHIGAN
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2009

	(368) Jail Series III Refunding	(370) Justice Center Refunding	Total
<hr/>			
<u>ASSETS</u>			
Assets			
Cash and cash equivalents	\$ 9,252	\$ 1,168	\$ 10,420
Delinquent taxes receivable	13,409	-	13,409
<hr/>			
<u>TOTAL ASSETS</u>	\$ 22,661	\$ 1,168	\$ 23,829
<hr/>			
<u>LIABILITIES</u>			
<u>AND FUND BALANCES</u>			
Liabilities			
Accounts payable	\$ 2,553	\$ -	\$ 2,553
Deferred revenue	13,395	-	13,395
<hr/>			
Total liabilities	15,948	-	15,948
 Fund balances			
Reserved for debt service	6,713	1,168	7,881
<hr/>			
<u>TOTAL LIABILITIES</u>	\$ 22,661	\$ 1,168	\$ 23,829
<u>AND FUND BALANCES</u>			

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenditures
and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2009

	(368) Jail Series III Refunding	(370) Justice Center Refunding	Total
Revenue			
Taxes	\$ (2,289)	\$ -	\$ (2,289)
Expenditures			
Debt service:			
Principal	-	340,000	340,000
Interest and fiscal charges	-	377,750	377,750
Total expenditures	-	717,750	717,750
Revenue over (under) expenditures	(2,286)	(717,750)	(720,036)
Other financing sources (uses)			
Transfers in	2,587	717,750	720,337
Total other financing sources	2,587	717,750	720,337
Net change in fund balance	301	-	301
Fund balance, beginning of year	6,412	1,168	7,580
Fund balance, end of year	\$ 6,713	\$ 1,168	\$ 7,881

NONMAJOR ENTERPRISE FUNDS

Description of Funds
Combining Financial Statements

ENTERPRISE FUNDS

Property Description -- This fund is used to account for the sale of property descriptions and aerial maps to the general public.

Sheriff Inmate Concession -- This fund is used to account for the operations of a store for Calhoun County Jail inmates. Funding is provided through sales of merchandise.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2009

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,914	\$ 131,548	\$ 137,462
Accounts receivable	-	84,342	84,342
Total current assets	5,914	215,890	221,804
Capital assets, net	2,325	-	2,325
Total assets	8,239	215,890	224,129
Current liabilities			
Accounts payable	-	43,607	43,607
Net assets			
Invested in capital assets	2,325	-	2,325
Unrestricted	5,914	172,283	178,197
Total net assets	\$ 8,239	\$ 172,283	\$ 180,522

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2009

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Operating revenue			
Charges for services	\$ -	\$ 814,302	\$ 814,302
Operating expenses			
Depreciation	876	-	876
Other	-	627,488	627,488
Total operating expenses	876	627,488	628,364
Income (loss) before transfers	(876)	186,814	185,938
Transfers			
Transfers out	-	(167,348)	(167,348)
Change in fund net assets	(876)	19,466	18,590
Net assets, beginning of year	9,115	152,817	161,932
Net assets, end of year	<u>\$ 8,239</u>	<u>\$ 172,283</u>	<u>\$ 180,522</u>

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2009

	(503) Property Description	(595) Sheriff Inmate Concession	Total
Cash flows from operating activities			
Cash received from customers	\$ -	\$ 796,999	\$ 796,999
Cash payments to suppliers	-	(636,989)	(636,989)
Net cash provided by operating activities	-	160,010	160,010
Cash flows from noncapital financing activities			
Transfers out	-	(167,348)	(167,348)
Net decrease in cash and cash equivalents	-	(7,338)	(7,338)
Cash and cash equivalents, beginning of year	5,914	138,886	144,800
Cash and cash equivalents, end of year	\$ 5,914	\$ 131,548	\$ 137,462
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (876)	\$ 186,814	\$ 185,938
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operations:			
Depreciation	876	-	876
Changes in assets and liabilities:			
Accounts receivable	-	(17,303)	(17,303)
Accounts payable	-	(9,501)	(9,501)
Net cash provided by operating activities	\$ -	\$ 160,010	\$ 160,010

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INTERNAL SERVICE FUNDS

Description of Funds
Combining Financial Statements

INTERNAL SERVICE FUNDS

Building & Grounds -- This fund is used to record the operation and maintenance of County buildings. Revenue is derived from building rents.

Administrative Services -- This fund is used to account for the operations of printing, mailing and telephone services, and data processing. Funding is provided through departmental user charges and contractual agreements.

Insurance -- This fund is used to account for the liability insurance coverage to the County. Funds are provided by a General Fund appropriation.

Employee Benefits -- This fund is used to account for various employee benefits which include health, dental, life, and disability insurance, and unemployment compensation claims. Funding is provided by charges to user departments.

Workers' Compensation -- This fund is used to record worker's compensation expenses and premium coverage from catastrophic loss. Financing for this fund is provided by departmental user charges.

Sick & Accident -- This fund is used to account for self-insured short-term disability claims. Funding is provided by charges to user departments.

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COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2009

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance	(694) Employee Benefits
Assets				
Current assets:				
Cash and cash equivalents	\$ 720,749	\$ 467,601	\$ 492,243	\$ 1,360,311
Accounts receivable	2,694	2,536	1	14,045
Due from other governments	-	9,872	8,628	-
Inventory	-	4,306	-	-
Prepaid items	-	80,382	91,724	206,886
Total current assets	723,443	564,697	592,596	1,581,242
Capital assets, net	2,475,337	281,760	-	-
Total assets	3,198,780	846,457	592,596	1,581,242
Liabilities				
Current liabilities:				
Accounts payable	128,917	50,819	4,278	29,726
Claims payable	-	-	587,673	361,486
Advances from other funds	218,131	-	-	-
Unearned revenue	10,884	66	-	-
Current portion of capital leases payable	-	78,915	-	-
Total current liabilities	357,932	129,800	591,951	391,212
Long-term liabilities -				
Capital leases payable	-	72,054	-	-
Total liabilities	357,932	201,854	591,951	391,212
Net assets				
Invested in capital assets, net of related debt	2,475,337	130,791	-	-
Unrestricted	365,511	513,812	645	1,190,030
Total net assets	\$ 2,840,848	\$ 644,603	\$ 645	\$ 1,190,030

(695) Workers' Compensation		(696) Sick & Accident		Total
\$	445,378	\$	34,983	\$ 3,521,265
	-		-	19,276
	-		-	18,500
	-		-	4,306
	-		-	378,992
	445,378		34,983	3,942,339
	-		-	2,757,097
	445,378		34,983	6,699,436
	-		-	213,740
	217,767		-	1,166,926
	-		-	218,131
	-		-	10,950
	-		-	78,915
	217,767		-	1,688,662
	-		-	72,054
	217,767		-	1,760,716
	-		-	2,606,128
	227,611		34,983	2,332,592
\$	227,611	\$	34,983	\$ 4,938,720

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Revenue, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2009

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance	(694) Employee Benefits
Operating revenue				
Charges for services	\$ 2,538,276	\$ 1,045,689	\$ 836,986	\$ 6,446,679
Other	88,620	-	-	320
Total operating revenue	2,626,896	1,045,689	836,986	6,446,999
Operating expenses				
Administration	-	-	-	38,773
Cost of services	2,151,133	905,394	871,715	6,248,759
Depreciation	263,203	127,401	-	-
Total operating expenses	2,414,336	1,032,795	871,715	6,287,532
Operating income (loss)	212,560	12,894	(34,729)	159,467
Nonoperating revenue				
Interest revenue	-	113	6,310	-
Income (loss) before transfers	212,560	13,007	(28,419)	159,467
Transfers				
Transfers in	-	55,000	-	-
Transfers out	(297,892)	-	-	-
Total transfers	(297,892)	55,000	-	-
Change in net assets	(85,332)	68,007	(28,419)	159,467
Net assets, beginning of year	2,926,180	576,596	29,064	1,030,563
Net assets, end of year	\$ 2,840,848	\$ 644,603	\$ 645	\$ 1,190,030

(695) Workers' Compensation		(696) Sick & Accident		Total	
\$	328,344	\$	121,374	\$	11,317,348
	-		-		88,940
	328,344		121,374		11,406,288
	4,302		27,864		70,939
	177,535		284,756		10,639,292
	-		-		390,604
	181,837		312,620		11,100,835
	146,507		(191,246)		305,453
	-		-		6,423
	146,507		(191,246)		311,876
	-		-		55,000
	-		-		(297,892)
	-		-		(242,892)
	146,507		(191,246)		68,984
	81,104		226,229		4,869,736
\$	227,611	\$	34,983	\$	4,938,720

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2009

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance
Cash flows from operating activities			
Cash received from interfund services	\$ 2,660,780	\$ 1,044,874	\$ 878,602
Cash payments to suppliers	(1,539,379)	(615,229)	(735,328)
Cash payments to employees	(635,381)	(334,283)	-
	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) operating activities	486,020	95,362	143,274
	<hr/>	<hr/>	<hr/>
Cash flows from noncapital financing activities			
Transfers in	-	55,000	-
Transfers out	(297,892)	-	-
	<hr/>	<hr/>	<hr/>
Net cash provided by (used in) noncapital financing activities	(297,892)	55,000	-
	<hr/>	<hr/>	<hr/>
Cash flows from capital and related financing activities			
Purchase of capital assets	(173,877)	(23,617)	-
Capital lease payments	-	(79,986)	-
	<hr/>	<hr/>	<hr/>
Net cash used in capital and related financing activities	(173,877)	(103,603)	-
	<hr/>	<hr/>	<hr/>
Cash flows from investing activities			
Interest earned	-	113	6,310
	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	14,251	46,872	149,584
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents, beginning of year	706,498	420,729	342,659
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents, end of year	<u><u>\$ 720,749</u></u>	<u><u>\$ 467,601</u></u>	<u><u>\$ 492,243</u></u>

(694) Employee Benefits	(695) Workers' Compensation	(696) Sick & Accident	Total
\$ 6,454,861	\$ 328,344	\$ 121,374	\$ 11,488,835
(5,692,971)	(236,978)	(312,620)	(9,132,505)
-	-	-	(969,664)
761,890	91,366	(191,246)	1,386,666
-	-	-	55,000
-	-	-	(297,892)
-	-	-	(242,892)
-	-	-	(197,494)
-	-	-	(79,986)
-	-	-	(277,480)
-	-	-	6,423
761,890	91,366	(191,246)	872,717
598,421	354,012	226,229	2,648,548
\$ 1,360,311	\$ 445,378	\$ 34,983	\$ 3,521,265

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Cash Flows (Concluded)
Internal Service Funds
For the Year Ended December 31, 2009

	(631) Building & Grounds	(636) Administrative Services	(677) Insurance
Reconciliation of operating income (loss)			
to net cash provided by (used in)			
operating activities			
Operating income (loss)	\$ 212,560	\$ 12,894	\$ (34,729)
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operations:			
Depreciation	263,203	127,401	-
Changes in assets and liabilities:			
Cash on hand with agents	-	-	42,565
Accounts receivable	(685)	9,057	7,679
Due from other governments	34,569	(9,872)	(8,628)
Inventory	-	(786)	-
Prepaid items	-	(69,215)	(91,724)
Accounts payable	9,050	37,024	4,278
Accrued payroll	(17,162)	(11,122)	-
Claims payable	-	-	223,833
Unearned revenue	10,000	(19)	-
Advances from other funds	(25,515)	-	-
Net cash provided by (used in)			
operating activities	<u>\$ 486,020</u>	<u>\$ 95,362</u>	<u>\$ 143,274</u>

(694) Employee Benefits	(695) Workers' Compensation	(696) Sick & Accident	Total
\$ 159,467	\$ 146,507	\$ (191,246)	\$ 305,453
-	-	-	390,604
-	-	-	42,565
7,862	-	-	23,913
-	-	-	16,069
-	-	-	(786)
238,270	-	-	77,331
(5,195)	-	-	45,157
-	-	-	(28,284)
361,486	(55,141)	-	530,178
-	-	-	9,981
-	-	-	(25,515)
\$ 761,890	\$ 91,366	\$ (191,246)	\$ 1,386,666

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FIDUCIARY FUNDS

Description of Funds
Combining Financial Statements

FIDUCIARY FUNDS

PENSION TRUST FUNDS:

Employees Defined Benefit -- This fund is used to account for the operations of the Defined Benefit Pension Plan.

Flexible Benefits -- This fund is used to account for donations held under a trust agreement as well as all other donations not accounted for elsewhere.

AGENCY FUNDS:

Trust and Agency -- This fund is used to account for assets held by Calhoun County acting as an agent for individuals, private organizations, other governmental units, and other funds.

Penal Fines -- This fund is used to account for money that is received from the courts for fines imposed as a result of State law violations.

Inmate Trust -- This fund is used to account for inmate monies held by the County while incarcerated.

Friend of the Court -- This fund is used to account for monies collected from non-custodial parents for distribution to custodial parents and/or other governmental units.

District Court -- This fund is used to account for various fines and bonds collected and subsequently distributed.

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Fiduciary Net Assets
Pension and Other Employee Benefit Trust Funds
December 31, 2009

	(735) Employees Defined Benefit	(734) Flexible Benefits	Total
Assets			
Cash and cash equivalents	\$ 88	\$ 48,415	\$ 48,503
Investments:			
Mutual and cash management funds	398,233	-	398,233
Equity securities -			
Open end mutual funds	6,522,300	-	6,522,300
Debt securities:			
Corporate bond mutual funds	1,981,145	-	1,981,145
Bond mutual funds	1,973,886	-	1,973,886
 Total assets	 10,875,652	 48,415	 10,924,067
Net assets held in trust for			
Retirement benefits	10,875,652	-	10,875,652
Employee benefits	-	48,415	48,415
 Total net assets	 \$ 10,875,652	 \$ 48,415	 \$ 10,924,067

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Trust Funds
For the Year Ended December 31, 2009

	(735) Employees Defined Benefit	(734) Flexible Benefits	Total
Additions:			
Investment income:			
Change in fair value of investments	\$ 1,803,388	\$ -	\$ 1,803,388
Interest	217,737	-	217,737
Net investment gain	2,021,125	-	2,021,125
Contributions:			
Employer	835,013	-	835,013
Employee	1,133,245	210,143	1,343,388
Total contributions	1,968,258	210,143	2,178,401
Total additions	3,989,383	210,143	4,199,526
Deductions:			
Pension benefits paid to participants	447,296	-	447,296
Actuarial fees	11,657	-	11,657
Refunds	66,591	-	66,591
Employee reimbursements	-	201,471	201,471
Total deductions	525,544	201,471	727,015
Net increase	3,463,839	8,672	3,472,511
Net assets held in trust for pension and employee benefits			
Beginning of year	7,411,813	39,743	7,451,556
End of year	\$ 10,875,652	\$ 48,415	\$ 10,924,067

COUNTY OF CALHOUN, MICHIGAN
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2009

	Trust and Agency	Penal Fines	Inmate Trust	Friend of the Court	District Court	Total
Assets						
Cash and cash equivalents	\$ 1,031,185	\$ 160,202	\$ 166,510	\$ 6,725	\$ 502,841	\$ 1,867,463
Accounts receivable	123,628	37,676	-	-	-	161,304
Due from other governments	143,310	-	-	-	-	143,310
Total assets	<u>\$ 1,298,123</u>	<u>\$ 197,878</u>	<u>\$ 166,510</u>	<u>\$ 6,725</u>	<u>\$ 502,841</u>	<u>\$ 2,172,077</u>
Liabilities						
Accounts payable	\$ 502,480	\$ -	\$ -	\$ -	\$ -	\$ 502,480
Due to individuals and agencies	376,524	-	166,510	6,725	502,841	1,052,600
Due to other governments	419,119	197,878	-	-	-	616,997
Total liabilities	<u>\$ 1,298,123</u>	<u>\$ 197,878</u>	<u>\$ 166,510</u>	<u>\$ 6,725</u>	<u>\$ 502,841</u>	<u>\$ 2,172,077</u>

COUNTY OF CALHOUN, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 2009

	Beginning Balance	Additions	Reductions	Ending Balance
<u>TRUST AND AGENCY FUND</u>				
Assets				
Cash	\$ 1,515,266	\$ 34,462,982	\$ 34,947,063	\$ 1,031,185
Accounts receivable	119,816	1,094,979	1,091,167	123,628
Due from other governments	-	143,310	-	143,310
	<hr/>			
Total assets	\$ 1,635,082	\$ 35,701,271	\$ 36,038,230	\$ 1,298,123
	<hr/>			
Liabilities				
Accounts payable	\$ 536,626	\$ 19,506,458	\$ 19,540,604	\$ 502,480
Due to individuals and agencies	691,446	2,430,742	2,745,664	376,524
Due to other governments	407,010	25,221,677	25,209,568	419,119
	<hr/>			
Total liabilities	\$ 1,635,082	\$ 47,158,877	\$ 47,495,836	\$ 1,298,123
	<hr/>			
 <u>PENAL FINES</u>				
Assets				
Cash	\$ 123,458	\$ 36,744	\$ -	\$ 160,202
Accounts receivable	30,074	37,676	30,074	37,676
	<hr/>			
Total assets	\$ 153,532	\$ 74,420	\$ 30,074	\$ 197,878
	<hr/>			
Liabilities				
Due to other governments	\$ 153,532	\$ 530,404	\$ 486,058	\$ 197,878
	<hr/>			

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities
(Continued)
For the Year Ended December 31, 2009

	Beginning Balance	Additions	Reductions	Ending Balance
<u>SHERIFF INMATE TRUST FUND</u>				
Assets				
Cash and cash equivalents	\$ 160,686	\$ 201,333	\$ 195,509	\$ 166,510
Liabilities				
Due to individuals and agencies	\$ 160,686	\$ 2,353,547	\$ 2,347,723	\$ 166,510
<u>FRIEND OF THE COURT FUND</u>				
Assets				
Cash and cash equivalents	\$ 4,316	\$ 1,080,603	\$ 1,078,194	\$ 6,725
Liabilities				
Due to individuals and agencies	\$ 4,316	\$ 1,080,603	\$ 1,078,194	\$ 6,725
<u>DISTRICT COURT FUND</u>				
Assets				
Cash and cash equivalents	\$ 503,248	\$ 6,631,494	\$ 6,631,901	\$ 502,841
Liabilities				
Due to individuals and agencies	\$ 503,248	\$ 6,631,494	\$ 6,631,901	\$ 502,841

(continued...)

COUNTY OF CALHOUN, MICHIGAN
Agency Funds
Combining Statement of Changes in Assets and Liabilities
(Concluded)
For the Year Ended December 31, 2009

	Beginning Balance	Additions	Reductions	Ending Balance
<u>TOTAL ALL AGENCY FUNDS</u>				
Assets				
Cash and cash equivalents	\$ 2,306,974	\$ 42,413,156	\$ 42,852,667	\$ 1,867,463
Accounts receivable	149,890	1,132,655	1,121,241	161,304
Due from other governments	-	143,310	-	143,310
	<hr/>			
Total assets	\$ 2,456,864	\$ 43,689,121	\$ 43,973,908	\$ 2,172,077
	<hr/>			
Liabilities				
Accounts payable	\$ 536,626	\$ 19,506,458	\$ 19,540,604	\$ 502,480
Due to individuals and agencies	1,359,696	12,496,386	12,803,482	1,052,600
Due to other governments	560,542	25,752,081	25,695,626	616,997
	<hr/>			
Total liabilities	\$ 2,456,864	\$ 57,754,925	\$ 58,039,712	\$ 2,172,077
	<hr/>			

WATER RESOURCES COMMISSION COMPONENT UNIT

Description of Funds
Combining Component Unit Financial Statements

WATER RESOURCES COMMISSION COMPONENT UNIT

County Drain -- This fund is used to record construction, maintenance and storm repair expenditures for all drains which are not accounted for in other drain capital projects funds.

Lake Level -- This fund is used to account for revenues and expenditures related to the control of lake levels.

Drain Revolving -- This fund is used to account for monies advanced for engineering, surveys, and other preliminary costs of new drains. Monies for the operation of this fund are supplied by an advance from the County General Fund and reimbursements from drain funds as special assessments are collected.

Lake Level Revolving -- This fund is used to account for money advanced for engineering and other preliminary costs of a lake level project.

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COUNTY OF CALHOUN, MICHIGAN
Water Resources Commission Component Unit
Statement of Net Assets / Governmental Funds Balance Sheet
December 31, 2009

	Capital Projects Funds			
	County Drain	Lake Level	Drain Revolving	Lake Level Revolving
Assets				
Cash and cash equivalents	\$ 187,375	\$ 4,621	\$ 44,446	\$ 13,135
Receivables:				
Accrued interest	346	34	-	-
Special assessments	1,077,115	174,118	-	-
Due from other funds	-	2,535	21,554	-
Capital assets, net	-	-	-	-
Total assets	\$ 1,264,836	\$ 181,308	\$ 66,000	\$ 13,135
Liabilities				
Accounts payable	\$ 146,307	\$ 614	\$ -	\$ -
Accrued liabilities	-	-	-	-
Due to other funds	21,554	-	-	2,535
Advance from primary government	-	-	66,000	10,600
Deferred revenue	1,086,528	174,118	-	-
Long-term debt:				
Due in one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	1,254,389	174,732	66,000	13,135
Fund balances				
Unreserved, undesignated	10,447	6,576	-	-
Total liabilities and fund balances	\$ 1,264,836	\$ 181,308	\$ 66,000	\$ 13,135
Net assets				
Invested in capital assets, net of related debt				
Unrestricted				
Total net assets				

Total	Adjustments	Statement of Net Assets
\$ 249,577	\$ -	\$ 249,577
380	-	380
1,251,233	-	1,251,233
24,089	(24,089)	-
-	4,173,966	4,173,966
<u>\$ 1,525,279</u>	<u>4,149,877</u>	<u>5,675,156</u>
\$ 146,921	\$ -	\$ 146,921
-	148,549	148,549
24,089	(24,089)	-
76,600	-	76,600
1,260,646	(1,255,136)	5,510
-	457,587	457,587
-	1,412,831	1,412,831
1,508,256	739,742	2,247,998
17,023	(17,023)	-
<u>\$ 1,525,279</u>		
	2,303,548	2,303,548
	1,123,610	1,123,610
	<u>\$ 3,427,158</u>	<u>\$ 3,427,158</u>

COUNTY OF CALHOUN, MICHIGAN
Water Resources Commission Component Unit
Reconciliation of Fund Balances of
Governmental Funds to Net Assets
December 31, 2009

Fund balances - total capital projects funds	\$	17,023
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Amounts reported in the statement of net assets are different because:

Capital assets are not financial resources, and therefore not reported in the funds.

Add - capital assets being depreciated, net		4,173,966
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Because the focus of capital projects funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as certain receivables) are offset by deferred revenues in the capital projects funds, and thus are not included in fund balance.

Add - deferred special assessments receivable		1,255,136
---	--	-----------

Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Deduct - bonds payable, long-term portion		(1,412,831)
Deduct - bonds payable, current portion		(457,587)
Deduct - accrued interest on long-term liabilities		(148,549)
		(1,818,967)

Net assets	\$	3,427,158
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COUNTY OF CALHOUN, MICHIGAN
Water Resources Commission Component Unit
Statement of Activities / Governmental Funds Revenue, Expenditures
and Changes in Fund Balance
For the Year Ended December 31, 2009

	Capital Projects Funds			
	County Drain	Lake Level	Drain Revolving	Lake Level Revolving
Revenue				
Special assessments	\$ 390,834	\$ 27,640	\$ -	\$ -
Interest and rentals	13,714	2,615	-	-
Total revenue	404,548	30,255	-	-
Expenditures/Expense				
Public works	826,806	20,281	-	-
Debt service:				
Principal	447,416	35,000	-	-
Interest and fiscal charges	107,158	7,438	-	-
Total expenditures/expenses	1,381,380	62,719	-	-
Revenue under expenditures	(976,832)	(32,464)	-	-
Other financing sources				
Note proceeds	716,500	-	-	-
Change in net assets / fund balance	(260,332)	(32,464)	-	-
Net assets / fund balances -				
Beginning of year	270,779	39,040	-	-
End of year	\$ 10,447	\$ 6,576	\$ -	\$ -

Total		Adjustments		Statement of Activities	
\$	418,474	\$	69,900	\$	488,374
	16,329		-		16,329
	434,803		69,900		504,703
	847,087		(614,137)		232,950
	482,416		(482,416)		-
	114,596		(49,439)		65,157
	1,444,099		(1,145,992)		298,107
	(1,009,296)		1,215,892		
	716,500		(716,500)		
	(292,796)		499,392		206,596
	309,819		2,910,743		3,220,562
\$	17,023	\$	3,410,135	\$	3,427,158

COUNTY OF CALHOUN, MICHIGAN
Water Resources Commission Component Unit
Reconciliation of the Statement of Revenue, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2009

Net change in fund balances - total capital projects funds	\$	(292,796)
--	----	-----------

Amounts reported in the statement of activities are different because:

Capital projects funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - capital outlay		701,788
Deduct - depreciation expense		(87,651)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Deduct - change in deferred special assessments		69,900
---	--	--------

Bond proceeds provide current financial resources to capital projects funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the capital projects funds, but the repayment reduces long term-liabilities.

Add - principal payments on long-term liabilities		482,416
Deduct - proceeds from the issuance of notes payable		(716,500)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in capital projects funds.

Deduct - change in accrued interest on bonds		49,439
--	--	--------

Change in net assets	\$	206,596
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STATISTICAL SECTION

STATISTICAL SECTION

This part of Calhoun County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends - <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	144-151
Schedule 1 - Net Assets by Component	
Schedule 2 - Changes in Net Assets	
Schedule 3 - Fund Balances - Governmental Funds	
Schedule 4 - Changes in Fund Balances - Governmental Funds	
Schedule 5 - Changes in Fund Balances - General Fund	
Revenue Capacity - <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	152-155
Schedule 6 - Assessed and Actual Value of Taxable Property	
Schedule 7 - Direct and Overlapping Property Tax Rates	
Schedule 8 - Principal Property Tax Payers	
Schedule 9 - Property Tax Levies and Collections	
Debt Capacity - <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	156-158
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Schedule 11 - Computation of Net Direct and Overlapping Debt	
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Demographic and Economic Information - <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	159-161
Schedule 13 - Demographic and Economic Statistics	
Schedule 14 - Principal Employers	
Schedule 15 - Full-Time Equivalent County Government Employees by Function/Program	
Operating Information - <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	162-165
Schedule 16 - Operating Indicators by Function/Program	
Schedule 17 - Capital Asset Statistics by Function/Program	
Schedule 18 - Schedule of Insurance	

CALHOUN COUNTY
Net Assets by Component
Last Seven Years (A)
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 24,917,772	\$ 26,187,657	\$ 26,169,587	\$ 26,820,780	\$ 26,678,844	\$ 26,076,987	\$ 25,589,514
Restricted	3,175,553	7,352,100	9,761,506	12,578,097	10,339,244	8,086,613	5,547,217
Unrestricted	4,078,915	3,095,329	2,485,207	3,163,653	5,480,540	5,222,655	4,471,520
Total governmental activities net assets	<u>\$ 32,172,240</u>	<u>\$ 36,635,086</u>	<u>\$ 38,416,300</u>	<u>\$ 42,562,530</u>	<u>\$ 42,498,628</u>	<u>\$ 39,386,255</u>	<u>\$ 35,608,251</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 2,667,701	\$ 2,368,673	\$ 2,383,023	\$ 2,088,376	\$ 6,786,181	\$ 9,959,362	\$ 10,210,371
Restricted	8,150,319	8,150,319	6,473,620	16,933,437	11,789,273	12,100,292	12,210,002
Unrestricted	14,459,298	15,396,070	18,010,841	10,079,667	12,230,406	9,166,103	9,023,351
Total business-type activities net assets	<u>\$ 25,277,318</u>	<u>\$ 25,915,062</u>	<u>\$ 26,867,484</u>	<u>\$ 29,101,480</u>	<u>\$ 30,805,860</u>	<u>\$ 31,225,757</u>	<u>\$ 31,443,724</u>
Primary government							
Invested in capital assets, net of related debt	\$ 27,585,473	\$ 28,556,330	\$ 28,552,610	\$ 28,909,156	\$ 33,465,025	\$ 36,036,349	\$ 35,799,885
Restricted	11,325,872	15,502,419	16,235,126	29,511,534	22,128,517	20,186,905	17,757,219
Unrestricted	18,538,213	18,491,399	20,496,048	13,243,320	17,710,946	14,388,758	13,494,871
Total primary government net assets	<u>\$ 57,449,558</u>	<u>\$ 62,550,148</u>	<u>\$ 65,283,784</u>	<u>\$ 71,664,010</u>	<u>\$ 73,304,488</u>	<u>\$ 70,612,012</u>	<u>\$ 67,051,975</u>

(A) - Calhoun County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

Source: Calhoun County Finance Department

CALHOUN COUNTY
Changes in Net Assets
Last Seven Years (A)
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
Legislative	\$ 245,482	\$ 230,854	\$ 235,010	\$ 230,620	\$ 259,468	\$ 264,497	\$ 278,218
Judicial	11,635,598	11,569,900	12,423,746	12,482,683	12,838,999	13,101,700	13,276,476
General government	3,837,550	6,532,765	6,684,366	6,577,864	6,663,685	7,155,740	7,301,080
Public safety	16,317,111	17,320,180	18,481,346	18,139,312	19,222,310	20,020,438	20,025,881
Public works	86,098	81,496	105,166	104,239	98,130	120,455	102,313
Health and welfare	13,456,711	14,241,240	14,834,373	14,017,558	12,282,729	12,661,937	12,721,317
Recreation and cultural	1,304,732	1,285,261	1,286,701	1,489,081	1,349,696	1,395,784	1,212,391
Other activities	2,372,566	211,442	2,174	-	-	-	-
Interest on long-term debt	556,947	416,703	349,726	317,147	574,504	272,244	256,847
Total governmental activities expenses	49,812,795	51,889,841	54,402,608	53,358,504	53,289,521	54,992,795	55,174,523
Business-type activities:							
Medical Care Facility	9,238,743	9,163,132	9,183,020	10,493,607	10,619,996	12,145,234	12,339,701
Delinquent tax collection	154,424	238,944	299,849	279,085	478,706	484,567	616,862
Inmate concessions	575,324	620,706	697,820	664,950	628,914	603,588	627,488
Property description	50,029	52,116	51,299	2,136	1,911	1,253	876
Interest on long-term debt	-	-	-	-	-	-	292,920
Total business-type activities expenses	10,018,520	10,074,898	10,231,988	11,439,778	11,729,527	13,234,642	13,877,847
Total primary government expenses	59,831,315	61,964,739	64,634,596	64,798,282	65,019,048	68,227,437	69,052,370
Program revenues							
Governmental activities:							
Charges for services:							
Legislative	-	-	60	2,647	845	-	46
Judicial	4,068,932	3,971,477	4,093,128	4,252,948	4,132,091	3,901,000	3,988,700
General government	1,772,050	1,608,462	1,628,439	1,508,235	1,409,489	1,297,654	1,067,510
Public safety	5,465,928	5,462,496	5,594,938	6,501,626	6,862,744	7,971,988	7,180,480
Public works	-	-	-	-	-	-	-
Health and welfare	770,827	799,523	812,865	786,829	784,818	715,933	759,116
Recreation and cultural	469,278	438,780	439,650	412,788	353,095	353,486	375,826
Other activities	-	-	-	-	-	-	-
Operating grants and contributions	17,068,133	16,455,320	15,863,153	15,807,506	14,451,313	12,847,689	12,946,254
Capital grants and contributions	-	31,424	-	-	-	-	-
Total governmental activities	29,615,148	28,767,482	28,432,233	29,272,579	27,994,395	27,087,750	26,317,932
Business-type activities:							
Charges for services:							
Medical Care Facility	8,380,924	8,883,836	8,906,789	10,356,094	9,875,996	10,423,707	11,427,560
Delinquent tax collection	1,532,047	1,306,302	1,596,744	2,143,574	2,156,518	2,555,513	2,579,770
Inmate concession	626,433	707,365	786,296	789,694	738,156	754,476	814,302
Property description	1,293	1,857	1,976	-	-	-	-
Operating grants and contributions	442,177	631,816	1,001,194	1,330,785	1,196,474	453,690	72,060
Total business-type activities	10,982,874	11,531,176	12,292,999	14,620,147	13,967,144	14,187,386	14,893,692
Total primary government program revenues	40,598,022	40,298,658	40,725,232	43,892,726	41,961,539	41,275,136	41,211,624
Net (Expense)/Revenue							
Government activities	(20,197,647)	(23,122,359)	(25,970,375)	(24,085,925)	(25,295,126)	(27,905,045)	(28,856,591)
Business-type activities	964,354	1,456,278	2,061,011	3,180,179	2,237,617	952,744	1,015,845
Total primary government net expense	(19,233,293)	(21,666,081)	(23,909,364)	(20,905,746)	(23,057,509)	(26,952,301)	(27,840,746)

CALHOUN COUNTY
Changes in Net Assets (Concluded)
Last Seven Fiscal Years (A)
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009
General Revenues							
Governmental activities:							
Property taxes	\$ 19,314,374	\$ 25,299,765	\$ 24,740,374	\$ 25,284,240	\$ 22,437,356	\$ 22,440,230	\$ 22,759,037
Unrestricted grants and contributions	447,192	486,212	469,410	486,774	512,072	541,822	554,629
Investment earnings	180,688	200,159	400,343	636,463	622,787	289,912	49,710
Gain on sale of capital assets	10,148	150	49,119	5,900	676	-	-
Transfers	1,112,441	1,604,755	1,989,009	1,863,778	1,658,333	1,520,708	1,714,633
Total governmental activities	<u>21,064,843</u>	<u>27,591,041</u>	<u>27,648,255</u>	<u>28,277,155</u>	<u>25,231,224</u>	<u>24,792,672</u>	<u>25,078,009</u>
Business-type activities:							
Property taxes	761,311	786,221	880,423	917,934	929,771	995,653	919,795
Investment earnings	-	-	-	-	-	-	-
Transfers	(1,112,441)	(1,604,755)	(1,989,009)	(1,864,117)	(1,658,333)	(1,528,500)	(1,717,673)
Total business-type activities	<u>(351,130)</u>	<u>(818,534)</u>	<u>(1,108,586)</u>	<u>(946,183)</u>	<u>(728,562)</u>	<u>(532,847)</u>	<u>(797,878)</u>
Total primary government	<u>20,713,713</u>	<u>26,772,507</u>	<u>26,539,669</u>	<u>27,330,972</u>	<u>24,502,662</u>	<u>24,259,825</u>	<u>24,280,131</u>
Change in Net Assets							
Government activities	867,196	4,468,682	1,677,880	4,191,230	(63,902)	(3,112,373)	(3,778,582)
Business-type activities	613,224	637,744	952,425	2,233,996	1,509,055	419,897	217,967
Total primary government	<u>\$ 1,480,420</u>	<u>\$ 5,106,426</u>	<u>\$ 2,630,305</u>	<u>\$ 6,425,226</u>	<u>\$ 1,445,153</u>	<u>\$ (2,692,476)</u>	<u>\$ (3,560,615)</u>

(A) - Calhoun County implementaed GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

Source: Calhoun County Finance Department

CALHOUN COUNTY
Fund Balances - Governmental Funds
Last Seven Years (A)
(modified accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund							
Reserved	\$ 77,200	\$ 76,600	\$ 76,600	\$ 77,520	\$ 77,180	\$ 77,225	\$ 79,536
Unreserved	<u>3,171,366</u>	<u>2,281,002</u>	<u>1,952,034</u>	<u>2,912,949</u>	<u>3,458,805</u>	<u>3,846,820</u>	<u>3,779,909</u>
Total general fund	<u>\$ 3,248,566</u>	<u>\$ 2,357,602</u>	<u>\$ 2,028,634</u>	<u>\$ 2,990,469</u>	<u>\$ 3,535,985</u>	<u>\$ 3,924,045</u>	<u>\$ 3,859,445</u>
All Other Governmental Funds							
Reserved	\$ -	\$ 9,659	\$ 5,312	\$ 38,503	\$ 64,050	\$ 55,518	\$ 60,101
Unreserved, reported in:							
Special revenue funds	2,395,502	7,226,693	9,624,240	12,375,818	10,297,586	7,984,985	5,437,098
Debt service funds	772,821	12,167	129,783	123,662	4,691	7,580	7,881
Capital project funds	-	-	-	-	-	-	276,476
Permanent funds	<u>37,864</u>	<u>38,002</u>	<u>38,453</u>	<u>2,304</u>	<u>1,456</u>	<u>1,806</u>	<u>1,332</u>
Total all other governmental funds	<u>\$ 3,206,187</u>	<u>\$ 7,286,521</u>	<u>\$ 9,797,788</u>	<u>\$ 12,540,287</u>	<u>\$ 10,367,783</u>	<u>\$ 8,049,889</u>	<u>\$ 5,782,888</u>

(A) - Calhoun County implemented GASB Statement No. 34 as of and for the year ended December 31, 2003. Accordingly, data prior to 2003 is not available.

Source: Calhoun County Finance Department

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CALHOUN COUNTY
Changes in Fund Balances - Governmental Funds
Last Ten Years

(modified accrual basis of accounting)

	2000	2001	2002	2003	2004
Revenues					
Taxes and Special Assessments	\$ 17,879,856	\$ 18,420,927	\$ 19,482,824	\$ 19,706,493	\$ 25,559,576
Licenses and permits	380,519	364,529	412,396	3,180,063	3,591,686
Intergovernmental	15,886,898	16,518,140	16,377,836	12,597,492	11,889,121
Charges for services	9,218,508	9,070,713	10,577,756	10,827,782	10,662,423
Fines and forfeits	980,181	948,283	1,069,140	950,419	810,869
Interest and rents	933,585	816,258	533,812	840,193	674,843
Other revenues	1,573,887	1,774,171	2,089,614	1,546,983	1,482,186
Total revenues	46,853,434	47,913,021	50,543,378	49,649,425	54,670,704
Expenditures					
Legislative	180,323	186,123	217,551	195,403	187,300
Judicial	9,394,487	10,321,972	10,534,792	10,738,937	10,892,938
General government	4,973,391	4,971,155	5,445,848	10,373,446	5,999,219
Public safety	11,677,490	12,249,852	13,357,586	14,329,568	15,584,368
Public works	63,262	90,194	74,217	198,143	81,496
Health and Welfare	13,559,634	13,838,748	13,990,987	8,883,689	14,398,696
Recreation and cultural	-	-	-	1,094,946	1,104,299
Other activities	2,935,378	3,056,857	3,354,903	2,372,566	2,537,423
Debt service:					
Principal	2,346,586	2,371,980	2,279,416	3,677,737	2,085,571
Interest and fiscal charges	935,829	823,743	712,096	564,769	422,985
Bond issuance costs	-	-	-	-	-
Capital outlay	456,752	197,633	412,460	536,599	695,465
Less: Reimbursements	-	-	-	-	-
Total expenditures	46,523,132	48,108,257	50,379,856	52,965,803	53,989,760
Revenues over (under) expenditures	330,302	(195,236)	163,522	(3,316,378)	680,944
Other financing sources (uses)					
Issuance of refunding bonds	-	-	-	-	-
Discount on refunding bonds	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-
Capital lease proceeds	-	-	-	-	67,000
Transfers in	6,019,808	6,887,240	7,534,019	8,157,974	10,117,868
Transfers out	(5,396,866)	(5,871,448)	(5,608,885)	(6,961,172)	(7,670,606)
Transfer to comp unit	(242,787)	-	-	-	-
Total other financing sources (uses)	380,155	1,015,792	1,925,134	1,196,802	2,514,262
Net changes in fund balances	<u>\$ 710,457</u>	<u>\$ 820,556</u>	<u>\$ 2,088,656</u>	<u>\$ (2,119,576)</u>	<u>\$ 3,195,206</u>
Debt services as a percentage of noncapital expenditures	<u>7.1%</u>	<u>6.7%</u>	<u>6.0%</u>	<u>8.1%</u>	<u>4.7%</u>

Source: Calhoun County Finance Department

Schedule 4
UNAUDITED

2005	2006	2007	2008	2009
\$ 24,734,469	\$ 25,168,976	\$ 21,400,223	\$ 22,478,088	\$ 22,657,267
4,347,485	397,905	392,035	394,030	395,878
10,787,120	14,150,759	12,568,945	11,530,118	11,842,963
10,677,921	11,885,817	11,946,966	12,717,043	11,902,986
1,149,638	1,066,578	988,473	964,055	908,873
596,957	1,016,798	765,357	353,734	56,608
1,804,723	2,104,470	2,417,036	2,042,352	1,867,276
54,098,313	55,791,303	50,479,035	50,479,420	49,631,851
185,610	188,974	219,096	216,517	225,825
11,571,595	11,538,869	12,107,452	12,184,736	12,210,472
6,161,596	6,074,052	6,332,872	6,648,296	6,550,295
16,129,522	15,940,259	17,032,519	17,574,031	17,485,169
105,166	104,239	98,130	120,455	102,313
14,815,786	14,123,808	12,937,365	12,694,322	12,693,853
1,200,254	1,430,257	1,213,583	1,229,966	1,038,774
2,390,705	2,339,609	2,435,509	2,384,940	2,477,713
624,042	676,077	710,349	564,963	353,845
356,827	324,464	293,036	138,127	379,277
-	-	-	172,464	-
839,730	1,082,921	439,715	416,476	404,020
-	-	-	-	-
54,380,833	53,823,529	53,819,626	54,345,293	53,921,556
(282,520)	1,967,774	(3,340,591)	(3,865,873)	(4,289,705)
-	-	-	6,855,000	-
-	-	-	(73,282)	-
-	-	-	(6,609,254)	-
45,000	28,860	16,445	33,759	-
10,820,769	10,492,532	10,817,012	10,689,617	11,144,291
(8,504,284)	(8,739,832)	(9,119,854)	(8,959,801)	(9,186,766)
-	-	-	-	-
2,361,485	1,781,560	1,713,603	1,936,039	1,957,525
\$ 2,078,965	\$ 3,749,334	\$ (1,626,988)	\$ (1,929,834)	\$ (2,332,180)
1.8%	1.9%	1.9%	1.3%	1.4%

CALHOUN COUNTY
Changes in Fund Balances - General Fund
Last Ten Years
(modified accrual basis of accounting)

	2000	2001	2002	2003	2004
Revenues					
Taxes	\$ 13,243,537	\$ 13,583,507	\$ 14,255,700	\$ 15,253,145	\$ 15,585,141
Licenses and permits	107,201	83,430	77,441	72,586	84,729
Intergovernmental	5,930,227	6,123,174	6,017,173	5,441,526	4,323,001
Charges for services	8,119,909	8,109,078	9,652,108	10,033,582	9,887,270
Fines and forfeits	967,370	930,530	1,061,352	895,844	800,899
Interest and rents	459,466	414,688	232,873	179,922	199,462
Other revenues	616,743	691,329	662,400	625,894	603,932
Total revenues	<u>29,444,453</u>	<u>29,935,736</u>	<u>31,959,047</u>	<u>32,502,499</u>	<u>31,484,434</u>
Expenditures					
Legislative	180,323	186,123	217,551	195,403	187,300
Judicial	6,698,312	7,243,503	7,316,118	7,518,324	7,880,352
General government	4,973,391	4,971,155	5,445,848	5,635,978	5,999,219
Public safety	9,811,009	10,279,917	11,021,344	11,781,114	12,677,734
Public works	63,262	90,194	74,217	86,098	81,496
Health and welfare	871,679	837,555	857,107	894,540	885,481
Other activities	2,060,756	2,199,487	2,314,669	2,371,940	2,406,961
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital Outlay	220,302	54,604	225,800	153,947	223,758
Less: reimbursements	-	-	-	-	-
Total expenditures	<u>24,879,034</u>	<u>25,862,538</u>	<u>27,472,654</u>	<u>28,637,344</u>	<u>30,342,301</u>
Revenues over (under) expenditures	<u>4,565,419</u>	<u>4,073,198</u>	<u>4,486,393</u>	<u>3,865,155</u>	<u>1,142,133</u>
Other financing sources (uses)					
Proceeds from capital leases	-	-	-	-	-
Transfers in	868,516	1,904,066	2,286,656	1,214,485	3,978,007
Transfers out	(5,049,210)	(5,745,885)	(5,496,227)	(5,492,367)	(6,005,268)
Transfers to component unit	(3,780)	-	-	-	-
Total other financing sources (uses)	<u>(4,184,474)</u>	<u>(3,841,819)</u>	<u>(3,209,571)</u>	<u>(4,277,882)</u>	<u>(2,027,261)</u>
Net changes in fund balances	<u>\$ 380,945</u>	<u>\$ 231,379</u>	<u>\$ 1,276,822</u>	<u>\$ (412,727)</u>	<u>\$ (885,128)</u>

Source: Calhoun County Finance Department

Schedule 5
UNAUDITED

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 15,933,547	\$ 16,449,007	\$ 17,941,376	\$ 18,778,923	\$ 18,967,117
93,439	76,368	69,367	82,026	92,305
3,009,127	2,972,748	3,026,542	2,323,593	2,709,617
9,876,911	10,884,532	11,073,182	11,875,775	10,988,413
1,117,372	1,039,297	959,290	944,600	839,661
316,649	378,759	310,609	176,391	36,131
966,515	1,033,703	1,153,374	972,166	956,538
<u>31,313,560</u>	<u>32,834,414</u>	<u>34,533,740</u>	<u>35,153,474</u>	<u>34,589,782</u>
185,610	188,974	219,096	216,517	225,825
8,156,960	8,072,594	8,426,653	8,307,102	8,244,694
6,161,596	6,074,052	6,332,872	6,648,296	6,541,615
12,926,533	12,935,873	14,130,604	15,159,727	14,875,384
105,166	104,239	98,130	120,455	102,313
909,717	943,284	689,356	656,654	985,895
2,385,234	2,321,051	2,433,524	2,383,042	2,459,207
-	-	16,409	28,308	13,845
-	-	1,351	1,359	1,527
139,064	161,241	185,904	180,316	148,159
-	9,261	-	-	-
<u>30,969,880</u>	<u>30,810,569</u>	<u>32,533,899</u>	<u>33,701,776</u>	<u>33,598,464</u>
<u>343,680</u>	<u>2,023,845</u>	<u>1,999,841</u>	<u>1,451,698</u>	<u>991,318</u>
-	28,860	16,445	33,759	-
4,974,613	4,720,992	4,704,474	4,833,977	4,987,276
(5,647,261)	(5,811,862)	(6,175,244)	(5,931,374)	(6,043,194)
-	-	-	-	-
<u>(672,648)</u>	<u>(1,062,010)</u>	<u>(1,454,325)</u>	<u>(1,063,638)</u>	<u>(1,055,918)</u>
<u>\$ (328,968)</u>	<u>\$ 961,835</u>	<u>\$ 545,516</u>	<u>\$ 388,060</u>	<u>\$ (64,600)</u>

CALHOUN COUNTY
Assessed and Actual Value of Taxable Property
Last Ten Years
(in thousands of dollars)

Year	Residential Property	Commercial Property	Industrial Property	Agriculture Property	Development Property	Personal Property	Total Assessed and Actual Value	Total Direct Tax Rate
2000	\$ 1,826,089	\$ 429,723	\$ 141,601	\$ 220,246	\$ 2,520	\$ 461,814	\$ 3,081,993	7.2120
2001	1,981,607	455,571	159,793	248,706	2,426	522,580	3,370,683	7.1961
2002	2,117,143	501,549	172,685	276,432	2,860	549,719	3,620,388	6.6713
2003	2,236,939	511,836	187,748	284,419	4,071	552,139	3,777,152	6.6513
2004	2,365,271	529,554	198,177	317,677	6,004	537,287	3,953,970	6.3713
2005	2,505,126	543,400	199,588	349,739	5,595	509,030	4,112,478	6.3713
2006	2,643,132	547,919	201,824	381,904	5,378	524,870	4,305,027	6.3713
2007	2,785,334	556,065	201,919	360,498	3,565	521,368	4,428,749	6.3713
2008	2,876,423	577,470	208,095	379,918	3,732	507,541	4,553,179	6.3713
2009	2,811,259	601,437	221,113	388,939	3,886	552,079	4,578,713	6.3713

Note: Residential, commercial and industrial values are calculated without tax-exempt values.

Source: County Equalization Department figures, exclusive of Industrial and Commercial Facility Tax and prior to any Board of Review actions.

CALHOUN COUNTY
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of taxable value)

		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
County direct rates											
Operation		5.39	5.37	5.37	5.37	5.37	5.37	5.38	5.38	5.38	5.38
Special voted		1.82	1.82	1.29	1.27	0.99	0.99	0.99	0.99	0.99	0.99
Total direct rate		7.21	7.19	6.66	6.64	6.36	6.36	6.37	6.37	6.37	6.37
Overlapping rates											
Cities:											
Albion		15.36	18.31	18.30	18.37	20.07	19.97	19.97	19.67	17.87	17.87
Albion - RZ		-	-	-	-	-	-	1.20	1.20	7.49	1.00
Battle Creek		13.00	13.00	13.00	13.00	13.00	13.92	14.48	14.48	14.48	14.48
Battle Creek - RZ		-	-	0.97	3.14	2.55	2.69	3.25	5.95	5.95	5.95
Battle Creek - DNR PILT		-	-	-	-	-	-	-	-	-	-
Marshall		16.76	16.76	16.76	16.76	16.73	16.76	16.76	16.76	16.76	16.76
Marshall - DDA		1.77	1.72	1.67	1.67	1.67	1.61	2.11	2.11	2.11	2.10
Springfield		15.00	15.00	15.00	14.00	15.00	15.00	15.00	15.00	15.00	15.00
Townships (average)	(A)	1.51	1.49	1.66	1.65	1.70	1.69	1.93	1.75	1.69	1.69
Villages (average)	(B)	13.46	13.40	13.24	13.07	12.88	12.50	12.80	12.67	12.67	10.47
School districts (average)	(C)	22.37	22.87	22.70	22.86	23.60	23.46	23.33	23.56	23.53	22.05
Intermediate school district (average)	(D)	4.74	4.72	4.49	4.67	4.65	4.94	4.93	4.93	4.99	5.00
Community college (average)	(E)	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26	3.26
Library (average)	(F)	1.79	1.75	1.75	1.73	2.07	2.06	2.02	2.01	2.04	2.03
(A) - Rates range from:											
Low		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
High		3.95	3.91	3.92	3.87	3.86	3.94	4.38	4.38	4.38	4.38
(B) - Rates range from:											
Low		10.91	10.90	10.34	10.32	9.85	9.85	9.85	9.86	9.85	-
High		17.43	17.27	17.10	16.78	16.47	17.10	16.65	15.97	15.97	15.97
(C) - Rates range from:											
Low		18.00	18.10	18.00	18.00	20.00	20.00	20.00	20.95	20.85	-
High		28.23	31.04	29.87	29.19	28.21	27.35	27.05	27.05	27.05	27.05
(D) - Rates range from:											
Low		2.08	2.06	2.03	2.01	1.99	1.97	1.96	1.96	1.95	1.95
High		8.56	8.49	7.42	8.22	8.17	8.13	8.11	8.10	8.11	8.11
(E) - Rates range from:											
Low		2.82	2.82	2.81	2.81	2.81	2.81	2.81	2.81	2.81	2.81
High		3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71	3.71
(F) - Rates range from:											
Low		1.58	1.50	1.50	1.46	2.00	2.00	2.00	2.00	2.00	2.00
High		2.00	2.00	2.00	2.00	2.14	2.12	2.03	2.25	2.25	2.25

Source: Calhoun County Equalization Department - Apportionment Report.

CALHOUN COUNTY
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Kellogg Company	\$ 137,332,761	1	3.69%	\$ 154,167,700	1	5.38%
Consumers Energy	60,831,594	2	1.63%	54,383,784	3	1.90%
Denso Manufacturing	53,235,834	3	1.43%	61,868,050	2	2.16%
Post Foods	50,237,058	4	1.35%	37,179,650	4	1.30%
Semco Energy	23,943,950	5	0.64%	22,724,999	5	0.79%
Andersons LLC	21,570,750	6	0.58%	-	-	0.00%
Ralcorp Holdings	15,142,181	7	0.41%	15,475,650	7	0.54%
Lakeview Delaware	13,799,301	8	0.37%			
TRMI Inc	9,736,637	9	0.26%			
Guardian Fiberglass Inc	9,590,388	10	0.26%			
Eaton Corporation				16,094,750	6	0.56%
Technical Auto Parts Inc.				14,549,900	8	0.51%
Hayes Lemmerz Int'l				14,239,761	9	0.50%
Edward Rose Development Co.				11,539,500	10	0.40%
	<u>\$ 395,420,454</u>		<u>10.62%</u>	<u>\$ 402,223,744</u>		<u>28.76%</u>

Source: Calhoun County Equalization Department.

CALHOUN COUNTY

Property Tax Levies and Collections

Last Ten Years

Year	(1)						
	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Subsequent Years Collections	Total Collections to Date		
		Amount	% of Levy		Amount	% of Levy	
2000	\$ 13,561,775	\$ 12,254,650	90.36%	\$ 1,276,730	\$ 13,531,380	99.78%	
2001	14,402,419	12,933,207	89.80%	1,488,669	14,421,876	100.14%	
2002	15,124,938	13,781,041	91.11%	1,308,733	15,089,774	99.77%	
2003	15,612,489	14,220,519	91.08%	1,332,973	15,553,492	99.62%	
2004	16,196,573	14,874,267	91.84%	1,272,667	16,146,934	99.69%	
2005	16,649,367	15,365,609	92.29%	1,276,711	16,642,320	99.96%	
2006	17,472,152	16,264,916	93.09%	1,200,768	17,465,684	99.96%	
2007	18,165,735	16,697,148	91.92%	1,427,871	18,125,019	99.78%	
2008	18,669,055	17,205,622	92.16%	1,423,969	17,205,622	92.16%	
2009	19,084,890	17,538,727	91.90%	-	17,538,727	91.90%	

Source: Calhoun County Treasurer's Office

(1) Personal property taxes recorded at 80%

CALHOUN COUNTY
Ratios of Net General Bonded Debt Outstanding
Last Ten Years

Year	Governmental Activities			Business-Type Activities			Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Less: Amounts Restricted to Repaying Principal	General Obligation Bonds	General Obligation Tax Notes	Capital Leases			
2000	\$ 19,491,686	\$ -	\$ 1,122,907	\$ -	\$ 2,000,000	\$ -	\$ 20,368,779	0.59%	\$ 148
2001	17,119,706	-	1,814,528	-	800,000	-	16,105,178	0.46%	116.56
2002	14,840,290	-	2,785,918	-	3,000,000	-	15,054,372	0.41%	108.79
2003	11,162,553	-	717,829	-	2,000,000	-	12,444,724	0.33%	89.62
2004	9,089,270	366,231	12,168	-	450,000	-	9,893,333	0.26%	71.14
2005	8,481,241	309,330	13,118	-	500,000	-	9,277,453	0.23%	66.65
2006	7,831,155	269,599	123,662	8,000,000	350,000	-	16,327,092	0.40%	118.32
2007	7,154,693	251,364	4,691	8,000,000	750,000	14,497	16,165,863	0.40%	118.33
2008	6,855,000	240,666	7,580	7,800,000	250,000	7,490	15,145,576	0.35%	111.48
2009	6,515,000	162,209	7,881	7,600,000	200,000	-	14,469,328	0.34%	106.69

Year	Governmental Activities			Total	Taxable Value of Property	% of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Capital Leases	Less: Amounts Restricted to Repaying Principal				
2000	19,491,686	-	1,122,907	18,368,779	2,597,305,710	0.71%	730.75
2001	17,119,706	-	1,814,528	15,305,178	2,810,965,726	0.54%	603.59
2002	14,840,290	-	2,785,918	12,054,372	2,982,437,725	0.40%	458.72
2003	11,162,553	-	717,829	10,444,724	3,111,551,148	0.34%	388.86
2004	9,089,270	366,231	12,168	8,710,871	3,228,412,954	0.27%	318.26
2005	8,481,241	309,330	13,118	8,158,793	3,318,085,093	0.25%	285.39
2006	7,831,155	269,599	123,662	7,437,894	3,470,883,407	0.21%	249.08
2007	7,154,693	251,364	4,691	6,898,638	3,611,665,400	0.19%	230.75
2008	6,855,000	240,666	7,580	6,606,754	3,724,578,452	0.18%	208.73
2009	6,515,000	162,209	7,881	6,344,910	3,849,508,652	0.16%	200.46

Source: Calhoun County Finance Department

CALHOUN COUNTY
Computation of Net Direct and Overlapping Debt
As of December 31, 2009

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
General obligation tax notes	\$ 200,000	\$ -	\$ 200,000
Building authority bonds	165,000	-	165,000
Medical Care Facility bonds	7,600,000	-	7,600,000
Public Works - water and sewer debt	8,958,000	8,958,000	-
Michigan Transportation Fund notes	1,265,000	-	1,265,000
	<u>\$ 18,188,000</u>	<u>\$ 8,958,000</u>	<u>9,230,000</u>
Net direct debt			
	Debt Outstanding	Percentage Applicable	Government's Share of Overlapping Debt
Overlapping debt			
School districts			
Albion	6,305,000	94.77	5,975,249
Athens	1,120,000	88.41	990,192
Battle Creek	65,305,000	100.00	65,305,000
Bellevue	24,616,672	16.31	4,014,979
Climax Scotts	11,113,407	12.11	1,345,834
Gull Lake	41,381,000	7.56	3,128,404
Harper Creek	69,461,755	100.00	69,461,755
Hastings	35,405,000	0.61	215,971
Homer	4,300,000	97.71	4,201,530
Lakeview Calhoun	50,005,000	100.00	50,005,000
Litchfield	2,055,000	3.25	66,788
Mar Lee	1,895,000	100.00	1,895,000
Marshall	26,060,000	100.00	26,060,000
Olivet	35,086,758	29.43	10,326,033
Pennfield	36,960,066	98.09	36,254,129
Springport	17,036,639	37.35	6,363,185
Tekonsha	810,000	86.32	699,192
Union City	-	0.00	-
			<u>286,308,241</u>
Intermediate school district	25,035,000	1.03	256,695
Community colleges			
Kellogg Community College	6,300,000	96.48	6,078,240
Library			
Marshall District Library	1,170,000	100.00	1,170,000
City	102,020,500	100.00	102,020,500
Township	7,850,000	100.00	7,850,000
Village	438,496	100.00	438,496
			<u>404,122,172</u>
Net overlapping debt			
Net direct and overlapping debt			<u>\$ 413,352,172</u>

Source: Calhoun County Finance Department and Bendzinski & Co Municipal Finance Advisors

Note: Percentage of overlap based on state equalized values.

CALHOUN COUNTY
Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for 2009

Total assessed value	\$ 4,578,712,887
Debt limit (10% of assessed value)	\$ 457,871,289
Debt applicable to limit	15,615,000
Legal debt margin	\$ 442,256,289

	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2000	\$ 308,199,405	\$ 37,536,686	\$ 270,662,719	12.18%
2001	337,068,241	33,424,706	303,643,535	9.92%
2002	362,038,829	34,535,290	327,503,539	9.54%
2003	377,715,142	27,507,553	350,207,589	7.28%
2004	395,397,056	24,384,270	371,012,786	6.17%
2005	411,102,610	22,996,241	388,106,369	5.59%
2006	430,437,237	19,495,000	410,942,237	4.53%
2007	442,874,896	18,800,000	424,074,896	4.24%
2008	455,317,890	17,230,000	438,087,890	3.78%
2009	457,871,289	15,615,000	442,256,289	3.41%

Source: Calhoun County Finance Department and Bendzinski & Co Municipal Finance Advisors

CALHOUN COUNTY
Demographic and Economic Statistics
Last Ten Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate	School Enrollment
2000	137,985	\$ 3,471,425	\$ 25,137	4.3%	27,348
2001	138,175	3,500,169	25,357	5.1%	27,432
2002	138,375	3,635,112	26,278	6.0%	27,001
2003	138,854	3,720,361	26,860	7.2%	27,528
2004	139,067	3,800,925	27,370	6.8%	25,962
2005	139,191	3,950,965	28,588	6.4%	25,709
2006	137,991	4,107,089	29,862	6.9%	26,703
2007	136,615	4,075,917	29,897	6.8%	25,941
2008	135,861	4,317,471	31,652	9.6%	23,805
2009	135,616	4,317,471 (a)	31,652 (a)	12.50%	22,885

(a) Data not available at the time of publication.

Sources: U.S. Census Bureau
Bureau of Economic Analysis, U.S. Department of Commerce
Calhoun Intermediate School District

CALHOUN COUNTY
Principal Employers
Curent Year and Nine Years Ago

Employer	2009			2000		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Denso Manufacturing USA, Inc	1,950	1	3.10%	2,000	2	2.95%
Hart - Dole - Inouye Federal Center	1,900	2	3.02%	1,468	4	2.16%
Kellogg Company	1,900	3	3.02%	2,383	1	3.51%
Battle Creek Health System	1,554	4	2.47%	1,800	3	2.65%
Kraft Foods, Post Division	1,500	5	2.38%	1,201	8	1.77%
Battle Creek Public Schools	1,300	6	2.06%	1,370	5	2.02%
Dept of Veterans Affairs Medical Center	1,150	7	1.83%	1,210	7	
Asmo Manufacturing	700	8	1.11%			0.00%
Felpausch Food Centers	700	9	1.11%			0.00%
Duncan Aviation	680	10	1.08%			
State Farm Insurance Company				1,355	6	2.00%
Tokai Rika				670	9	0.99%
I.I. Stanley				650	10	
	<u>13,334</u>		<u>21.18%</u>	<u>14,107</u>		<u>18.06%</u>

Source: Calhoun County Finance Department.

CALHOUN COUNTY
Full-Time Equivalent County Government Employees by Function/Program
Last Ten Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Legislative										
Board of Commissioners	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Judicial										
Circuit Court	13.00	12.00	14.75	14.79	14.00	14.75	14.80	14.80	13.80	14.80
Circuit Court - Family	11.00	10.00	11.00	11.00	10.00	10.00	10.00	9.00	8.00	8.00
District Court	56.74	52.18	54.04	55.80	54.23	55.58	56.33	56.60	57.25	58.25
Friend of the Court	53.66	58.30	61.50	59.49	58.83	59.06	59.60	60.00	60.00	60.00
Probate Court	9.00	10.00	9.00	8.88	8.88	9.00	10.00	10.00	10.00	10.00
Court Services	6.81	3.00	4.00	4.00	3.00	3.00	3.00	2.00	2.00	2.00
General Government										
County Administrator	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Administrative Services	5.44	5.35	5.35	5.35	5.00	5.34	4.00	4.00	4.00	4.00
Information & Tech Systems	2.00	2.00	3.00	4.00	4.00	4.00	3.00	4.00	4.00	3.00
Facilities Management	10.00	10.00	10.00	10.00	10.00	12.00	11.00	12.00	12.00	12.00
Corporation Counsel	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Finance	5.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00	5.00	5.00
Equalization	6.00	6.00	6.34	4.60	6.00	5.00	5.00	3.00	4.50	4.50
Human Resources	3.00	3.00	3.66	4.00	4.00	4.00	4.00	2.00	4.00	4.00
Clerk - Elections	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Clerk of the Circuit Court	10.00	8.81	9.00	9.00	9.00	9.00	9.00	8.00	9.00	9.00
Clerk/Register	9.50	10.56	10.43	11.50	11.50	11.50	11.50	12.50	12.50	12.50
Prosecuting Attorney	27.50	28.50	29.50	31.50	32.50	31.50	29.50	28.50	27.50	28.50
Treasurer	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Cooperative Extension	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Water Resources Commissioner	3.11	3.05	3.07	3.16	2.97	3.06	3.00	3.00	3.00	3.50
Public Safety										
Sheriff	161.31	146.70	156.35	168.11	171.22	172.40	166.78	171.97	171.75	171.10
Community Corrections	5.50	8.00	8.00	8.50	8.00	8.00	7.00	8.00	8.00	8.00
Emergency Management	1.00	1.00	3.00	3.00	2.00	1.00	2.00	3.00	2.00	2.00
Drug Court	0.00	0.00	1.00	2.00	3.32	4.00	3.50	3.50	3.00	3.50
Prosecuting Attorney	12.00	12.00	11.00	13.30	15.00	12.00	12.00	11.00	11.00	11.00
Health & Welfare										
Health Department	70.78	69.11	64.13	66.64	70.44	64.55	53.48	45.57	44.02	46.32
Child Care Fund	54.90	49.04	48.75	53.19	53.68	49.94	42.90	49.10	46.70	47.70
Senior Millage	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Veterans Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	<u>562.99</u>	<u>540.36</u>	<u>558.61</u>	<u>583.55</u>	<u>589.31</u>	<u>580.42</u>	<u>553.13</u>	<u>554.29</u>	<u>550.77</u>	<u>556.42</u>

Source: Calhoun County Finance Department

CALHOUN COUNTY
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Judicial										
Circuit Court:										
Number of petitions opened	--*	--*	2,079	2,118	1,931	1,932	1,873	1,762	1,750	1,543
Number of dispositions	--*	--*	2,055	2,082	2,003	1,955	2,021	1,940	1,780	1,500
Circuit Court - Family Division:										
Number of petitions opened	--*	--*	1,707	1,484	1,523	1,707	1,635	1,694	1,545	1,320
Number of dispositions	--*	--*	1,589	1,313	1,541	1,656	1,666	1,808	1,640	1,328
District Court:										
New felony cases	--*	--*	2,252	2,052	1,957	2,021	1,933	1,874	1,973	1,901
New misdemeanor cases	--*	--*	4,931	4,121	3,763	4,348	4,039	4,166	3,989	3,986
New traffic & civil infractions	--*	--*	40,569	34,641	32,644	42,773	35,145	33,294	30,785	32,809
New civil cases	--*	--*	9,727	10,266	9,960	10,363	10,270	11,257	11,787	10,864
New OWI/OWVI	--*	--*	951	849	731	886	883	733	816	764
Probate Court:										
Number of active estate and trust cases	--*	--*	466	467	474	461	433	448	474	467
Number of wills filed for safekeeping	--*	--*	590	731	1,065	1,161	335	421	614	500
Number of guardianships/conservatorships	--*	--*	2,275	2,216	2,119	2,090	2,036	1,936	1,908	1,937
Public Safety (Sheriff):										
Number of incidents	15,389	13,875	9,918	9,734	11,912	13,868	12,074	11,857	12,636	12,478
Number of bookings	11,867	13,062	12,985	11,916	11,020	11,574	10,810	11,104	11,575	11,679
Number of traffic crashes	1,674	1,486	1,417	1,603	1,722	1,771	1,604	1,811	1,878	1,661
Number of fatal crashes	5	1	7	4	1	6	6	8	12	9
Number of animal control calls	--*	--*	--*	--*	--*	--*	--*	--*	--*	987
Health										
Public Health:										
Vaccines administered	25,234	22,729	21,816	8,459	9,456	9,966	6,884	2,848	4,160	13,753
Number of STD clients	1,999	2,169	2,225	2,335	2,492	2,804	2,523	2,298	2,376	2,604
Water Resources										
Drain & Lake Level control structure maintenance projects	72	55	57	27	60	46	51	61	69	77
Seniors										
Number of seniors served										
Health services:	2,200	4,167	5,497	5,228	4,898	4,613	3,698	3,255	2,834	2,972
Access services:	3,335	2,622	3,230	2,377	1,843	2,322	2,722	3,212	3,286	3,792

Source: Calhoun County Circuit Court, Calhoun County District Court, Calhoun County Probate Court,
Calhoun County Sheriff's Department, Calhoun County Health Department,
Calhoun County Water Resources Department, Calhoun County Senior Services Department

--* Information not available

CALHOUN COUNTY
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Corrections facility maximum capacity	620	620	620	620	620	620	620	620	620	620
Vehicle patrol units:										
Police service automobiles	12	14	21	24	31	33	31	34	38	35
Animal control	2	2	2	2	2	2	2	2	2	2
Jail	2	2	4	5	5	5	5	7	9	8
Public works										
Miles of county maintained roads:										
Primary	522	522	483	483	483	483	483	483	483	483
Local	966	966	827	827	827	827	827	827	827	827
State Trunkline	207	207	205	205	205	205	205	205	205	205
Parks and Recreation										
County Parks	3	3	3	3	3	3	3	3	3	3
Custer Greens Golf Course	1	1	1	1	1	1	1	-	-	-
Kingman Museum	1	-	-	-	-	-	-	-	-	-

Source: Calhoun County Finance Department

CALHOUN COUNTY
Schedule of Insurance
As of December 31, 2009

Type of Coverage Name of Company	Policy Period	Premium	Description
Michigan Municipal Risk Management Authority (MMRMA)	01/01/09-12/31/09	\$ 676,094	Auto, general and police legal liability of the County for bodily injury, property damage and personal injury. Limit \$15,000,000 per occurrence; self insured retention (SIR) is \$200K for general liability, \$16K per vehicle/\$31K per vehicle damage.
Buildings and Contents: Michigan Municipal Risk Management Authority (MMRMA)	01/01/09-12/31/09	Included	All risk coverage on buildings and contents at replacement cost of \$109,602,641 with an \$11,000 maximum self insurance retention (SIR) per occurrence. Includes burglary as well as perils from flood and earthquake.
Michigan Municipal Risk Management Authority (MMRMA)	01/01/09-12/31/09	Included	Covers loss to the County caused by dishonesty or fraudulent act of an employee or failure to faithfully perform the duties or the position. Limit \$1,000,000. All County employees are covered under this Blanket Faithful Performance Bond with Elected Officials protected under individual Performance Bonds at the same dollar limit.
Marine Property Coverage	01/01/09-12/31/09	Included	Covers scheduled portable equipment consisting of boats, motors, trailers, jet skis, hovercraft, etc. Coverage limited to \$250K per occurrence.
Short-Term Bond Burnham & Flower Insurance Group	01/01/09-12/31/09	14,636	Bond is based on 40% of the tax levy for the County, schools and SET (State Education Tax). County is partially reimbursed for the cost of the bond.
Workers' Compensation Cambridge Integrated Services	01/01/09-12/31/10	20,500	TPA for Claims Service.
Safety National Casualty Corporation	01/01/09-12/31/10	18,225	Statutory specific excess insurance above a \$350,000 retention subject to an annual aggregate limit of \$1 million.
Sick & Accident Regency Employee Benefits	01/01/09-12/31/09	27,864	TPA for Claims Service.
Long-Term Disability Mutual of Omaha	01/01/08-12/31/09	Varies	Covers all full-time GELC, IUOE, MNA, and AFSCME Health eligible employees. Coverage is 66 and 2/3% of monthly salary up to a maximum of \$4,200.
Life Insurance Lafayette Life Ins. Co.	01/01/09-12/31/11	Varies	Covers death of employee and/or AD&D. All full-time employees with coverage equal to 1 X annual salary, rounded down to the nearest \$1,000, up to a maximum of \$50K. IUOE members receive a flat \$50K.
Dental Delta Dental Core Plan	01/01/09-12/31/09	46.99	100% basic dental, 50% other services (excl Orthodontics), \$800 annual limit.
Community Blue Preferred Provider Organization (PPO) Plan 1 Blue Cross/Blue Shield	01/01/09-12/31/09	Varies	A cost-sharing medical care plan including preventive care services (in network only), coinsurance, prescription co-pay, with no deductible on covered in-network benefits. Out of network benefits have an annual deductible of \$250 individual/\$500 family.

Continued.....

CALHOUN COUNTY
Schedule of Insurance
As of December 31, 2009

Type of Coverage Name of Company	Policy Period	Premium	Description
Community Blue Preferred Provider Organization (PPO) Plan 3 Blue Cross/Blue Shield	01/01/09-12/31/09	Varies	A cost-sharing medical care plan including preventive care services (in network only), coinsurance, prescription co-pay, with an annual deductible on covered in-network benefits of \$250 individual/\$500 family. Out of network benefits have an annual deductible of \$500 individual/\$1,000 family.
Point of Service Plan 4 Blue Cross/Blue Shield	01/01/09-12/31/09	Varies	A cost-sharing medical care plan requiring a Primary Care Physician choice. The plan includes preventive care services (in network only), coinsurance, prescription co-pay, with no deductible on covered in-network benefits. Out of network benefits have an annual deductible of \$100 individual/\$200 family.
First Dollar Plan w/Master Medical Option 1 (80/20) Blue Cross/Blue Shield	01/01/09-12/31/09	Varies	Basic and Master Medical Comprehensive medical care coverage including emergency care, and office visits. Annual deductible of \$250 individual/\$500 family on Major Medical Benefits.
Medicare Advantage Blue Care Network	01/01/09-12/31/09	158.62	A cost-sharing medical care plan requiring a Primary Care Physician choice. The plan includes preventive care services (in network only), coinsurance, prescription co-pay, with no deductible on covered in-network benefits.
Vision Care Blue Cross/Blue Shield/ Blue Vision Care (A80)	01/01/09-12/31/09	Varies	Vision Care option pays for certain vision care tests and supplies when obtained from a participating provider after County employee pays the provider the required co-payment amount.

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